Queensland Competition Authority

SEQ retail electricity market monitoring 2023–24

Report

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We wish to acknowledge the contribution of the following staff to this report:

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Contents

Executive summary

Introduction

We have been monitoring the south-east Queensland (SEQ) retail electricity market for residential and small business customers annually since 2016–17. Our market monitoring reports are intended to assist the Queensland Government help customers benefit from competition in the market. This report covers the period 1 July 2023 to 30 June 2024.

Annual bills

SEQ customers can choose from a wide variety of retail electricity plans. Plans include supply and usage charges, and often also other charges, guaranteed or conditional discounts, financial incentives and fees. Whether a plan is the cheapest for a customer depends on their consumption and the interaction between the various price components.

We present standing offer and market offer bills for the most common tariffs and tariff combinations, based on the plans available on the price comparator website Energy Made Easy in 2023–24. These bills show what the typical SEQ customer with a median level of consumption would have paid if they had taken up the plans available in 2023–24.

Few retailers had market offers in the June quarter of 2024 that were cheaper for the typical SEQ customer than their cheapest plan a year earlier. The cheapest market offers for most tariffs and tariff combinations had a discount or financial incentive attached. Customers could choose from a larger number of retailers providing market offers in 2023–24.

From the June quarter of 2023 to the June quarter of 2024, the average lowest market offer bill increased by between 0.9% and 2.0% for residential customers and by between 6.4% and 13.6% for small business customers. Standing offer bills increased more – by between 19.8% and 20.6% for residential customers and by between 18.2% and 21.5% for small business customers.

Discounts, savings and incentives

More retailers attached discounts and/or incentives in the June quarter of 2024 than a year before. Guaranteed discounts continued to be more common than conditional discounts this year. No new types of financial incentives were offered; sign-up and other credits were still the most common financial incentives. Similar types of non-financial incentives were offered this year, but we observed some new incentives too.

Various retailers again offered GreenPower options in the June quarter of 2024. The GreenPower options and their prices had not changed much since the June quarter of 2023. Various retailers also offered carbon offset options again.

Fees and charges

Most retailers attached retail fees to at least some of their market offers in the June quarter of 2024. The types of fees were similar to those in previous years and included payment processing fees as well as fees for paper bills, dishonoured or late payments, membership and account establishment.

By law, retailers may only charge their standing offer customers in Queensland 3 types of retail fees – historical billing data fees for data that is more than 2 years old (if requested by a customer), a retailer's administration fee for a dishonoured payment, and financial institution fees for a dishonoured payment.

Bills weighted by retailer market share

We compared and assessed the trends in standing offer and generally available market offer bills for residential and small business flat rate customers (in nominal dollars) from 2015–16 to 2023–24, each weighted by retailer market share. After an increase in 2015–16 and 2016–17, these bills decreased from 2017–18 to 2021–22. However, since 2022–23, they have grown substantially.

Customers receiving assistance with electricity bills

In the December quarter of 2023, 394,984 SEQ customers received assistance with their electricity bills in the form of retailer hardship programs, the Queensland Government's electricity rebate and/or the Home Energy Emergency Assistance Scheme. Most of these customers (92.3%) were on a market offer. Fewer assisted customers were on a standing offer compared to a year earlier.

The prices paid by assisted customers on standing and market offers increased substantially across all assistance categories from 2022–23 to 2023–24 for the 3 common residential tariffs and tariff combinations we analysed. Most assisted customers were on market offers that resulted in higher bills than the cheapest market offer their retailer had available, and some were higher than the most expensive market offer their retailer had available in the December quarter of 2023.

New retail tariffs and plans

No notable new retail tariffs or plans emerged in the SEQ retail electricity market in 2023–24, but retailers continued to provide innovative offerings introduced in previous years, such as plans that combine solar panels and battery storage, electric vehicle plans and plans for virtual power plants.

Potential barriers to new and innovative offerings in 2023–24 included ongoing cost pressures for retailers, customers' focus on cheaper and simpler plans, and limitations to the uptake of new offerings (that rely on smart meters and new technologies).

Market competitiveness

The outcomes we observed in the SEQ retail electricity market in 2023–24 were broadly consistent with a competitive market:

- Retailers continued to compete on price, including through financial incentives and/or discounts.
- Customers switched between retailers about as much as in the previous year.
- Market concentration decreased, especially in the residential market.
- The number of retailers with market offers increased.

However, some customers – including customers experiencing vulnerability – may find it difficult to navigate the market, compare plans and switch when a better plan becomes available. This suggests that competition might not be working as effectively as it should for all customers.

Active customers are likely to pay less than inactive or disengaged customers. We therefore encourage customers to regularly check whether they can find a better deal on Energy Made Easy. Customers should also regularly check the 'better offer' message on their bill. They can also contact their retailer directly to ask if a better deal is available.

Significant issues

We investigated 2 significant issues in the SEQ retail electricity market in 2023–24:

- Customers on legacy market offers[1] – about one-third of residential and one-fifth of small business market offer customers were on a legacy market offer covered by the default market offer (DMO). Less than half of these customers were on offers above the DMO. Offers with conditional discounts were generally more expensive than offers without, particularly when the discounts were not achieved. While some legacy offers have attributes that are attractive (such as a high feed-in tariff that can lower the bill), many customers could lower their electricity bills by switching to one of the new offers available.
- Customers on cost-reflective tariffs – over 40% of all small customers in SEQ had a smart meter in 2023–24. Some retailers have transferred smart meter customers to a cost-reflective retail tariff that reflects the underlying network tariff. These cost-reflective tariffs are often more complex and difficult to understand, and because most of them are not covered by the DMO, customers cannot compare plans using a DMO reference price. However, additional customer protections have been proposed to improve the customer experiences with retail tariff changes, while the rollout of smart meters progresses.

[1] We have defined legacy offers as plans that were not available to new customers in 2023–24 – that is, plans that were closed to new customers before 1 July 2023.

1 Introduction

1.1 Retail electricity market monitoring

Retail electricity prices for residential and small business customers have been deregulated in south-east Queensland (SEQ) since 1 July 2016. We have been monitoring the operation of the SEQ retail electricity market ever since. This assists the Queensland Government to ensure that electricity customers can benefit from competition in the market.

In June 2021, the then Minister responsible for Energy (the Minister) directed us to monitor and report on the operation of the SEQ retail electricity market for residential and small business customers for each financial year from 1 July 2020 to 30 June 2025.[2] This is the market monitoring report for the 1 July 2023 to 30 June 2024 period.

Electricity customers can be categorised as large or small customers, depending on their annual electricity consumption. Our report focuses on small customers – that is, residential or business customers who consume less than 100 megawatt hours (MWh) per year.[3]

1.2 Standing and market offers

Electricity retailers operating in SEQ are required to provide customer retail services to small customers under either:[4]

- standard retail contracts (standing offers) – basic offers with terms and conditions specified in the National Energy Retail Rules (NERR).[5] Since 1 July 2019, retailers have been required to set standing offer prices at or below the default market offer (DMO) prices set by the Australian Energy Regulator (AER) each year[6]
- market retail contracts (market offers) – offers with a minimum set of terms and conditions specified in the NERR that can include other terms and conditions agreed between the retailer and the customer.[7]

In our view, standing and market offers should not be compared solely based on bill estimates (or individual prices of the offers). Other factors may also be relevant. Standing offers typically provide more favourable terms and conditions than market offers. Standing offer customers also receive additional benefits, including access to paper bills at no extra cost, better payment terms (which can include bill smoothing) and ongoing certainty of terms – that is, retailers cannot change terms or impose restrictions as they can under market contracts.[8]

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[2] The Minister's letter and direction notice are available on our website at *Market monitoring report 2023–24*.
[3] National Energy Retail Law (NERL), section 5; National Energy Retail Regulations, section 7. In this report, references to the NERL are also references to the National Energy Retail Law (Queensland) (NERLQ), which includes Queensland-specific modifications to the NERL.
[4] NERL, section 20.
[5] NERR, rule 12 and schedule 1. The NERR govern the sale and supply of energy (electricity and natural gas) from retailers and distributors to customers in New South Wales, Queensland, South Australia, Tasmania and the Australian Capital Territory, and are made by the Australian Energy Market Commission (AEMC) under the NERL.
[6] Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019 (Cth) (Electricity Retail Regulations), section 10; AER, *Default market offer prices 2023–24* [final determination], 2023.
[7] NERR, rule 14.
[8] We acknowledge the difficulty of appropriately quantifying the value of these additional benefits. For more analysis on the value of the differences in the terms and conditions of standing and market offers, see QCA, *Regulated retail electricity prices for 2019–20* [final determination], 2019, pp 48–59, and QCA, *Regulated retail electricity prices for 2021–22* [final determination], 2021, pp 53–58. Similarly, the Australian Competition and Consumer Commission (ACCC) noted that

The term ‘offers’ is commonly used to refer to standing and market offers. However, electricity offers are also often referred to as ‘plans’ – for example on Energy Made Easy (a price comparator website), in the AER’s retail pricing information guidelines, and in some other reports on retail electricity markets. In this report, we use the terms ‘offers’ and ‘plans’ interchangeably.

1.3 Energy Made Easy

The AER operates a free online price comparator called Energy Made Easy to assist small customers to compare plans.[9] Retailers have to provide information on each of their generally available electricity plans on Energy Made Easy in accordance with the AER's retail pricing information guidelines.[10] For our analysis this year and in previous years, we have obtained data on all electricity plans available to SEQ customers directly from Energy Made Easy.

As Energy Made Easy is independent of commercial third parties and includes all generally available electricity plans, it is an important and reliable tool for customers who want to analyse, compare and choose plans. By contrast, commercial comparison sites often work on commissions-based arrangements and therefore typically do not cover all the retailers in the market. Nor do they always include in their comparison all the available plans of the retailers that are covered.

1.4 Advice for customers

We encourage customers to regularly check Energy Made Easy to see whether they can find a better deal. In addition, customers should also regularly check the ‘better offer’ message on their bill. They can also contact their retailer to ask if a better deal is available. Although electricity prices have increased, active customers are likely to pay less than inactive or disengaged customers.

The Queensland Government’s general advice to customers about how to engage with the retail electricity market is set out in the box below.

standing offer contracts have a guaranteed level of consumer protections that are higher than the required consumer protections in market offer contracts. Consumers may also take comfort from the government-set prices that apply to standing offers (ACCC, *Inquiry into the National Electricity Market*, May 2022, p 29).

[9] NERL, section 62; *Energy Made Easy* website.

[10] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, p 8 (clause 23).

Queensland Government advice to customers

How to find the best deal:

- Use Energy Made Easy to compare and choose electricity deals by electricity retailers.
- Contact your current electricity retailer to ask for a better electricity deal.

Tips for choosing or switching electricity retailers:

- Check that the new electricity plan will save you money – compare the conditions, benefits and costs of your current plan against the plans you are considering.
- Read the conditions associated with any discount being offered.
- Check the payment terms for flexible options.
- Check exit fees.
- Use the cooling off period (10 days) to evaluate your new contract – you can change your mind.
- Check your electricity contract at least annually and reconsider your plan and alternative offers in the market.[11]

1.5 Retailers operating in SEQ

We identified 29 retailers on Energy Made Easy with plans for small customers in SEQ in 2023–24 (Table 1.1), which is 7 fewer retailers than in 2022–23. We observed that:

- 25 retailers had plans available in 2022–23 and 2023–24
- 2 retailers had plans available in 2023–24 but not in 2022–23
- 2 retailers published plans in 2023–24 under their old names and new names.[12]

No new retailers entered the SEQ retail electricity market in 2023–24. There were 11 retailers that did not have any plans published for small customers in 2023–24 but had plans in 2022–23.

Of the 29 retailers with plans for small customers in 2023–24, 27 provided plans for residential customers and 23 provided plans for small business customers. Compared to 2022–23, 8 fewer retailers provided residential plans and 2 fewer retailers provided small business plans.

Not all retailers had plans published in each quarter of 2023–24. Across residential and small business customers, 21 retailers had a standing offer and 27 retailers (though not exactly the same retailers who had a standing offer) had market offers available in the June quarter of 2024.

Some authorised retailers sell energy under different names or retail 'brands' that sell energy or supply other providers. For example, Powershop is the energy provider of Kogan Energy, and Simply Energy and Tango Energy provided plans both under their former and new names (ENGIE and Pacific Blue Retail). We include these retail names or 'brands' in our analysis in the same way as we include authorised retailers, because each can have retail strategies that are different to those of the authorised retailer and are likely to have an impact on competition.

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[11] Queensland Government, *Compare and choose electricity retailers*, Queensland Government website, updated 1 August 2023, viewed 9 December 2024.

[12] Simply Energy rebranded to ENGIE in April 2024, and Tango Energy Pty Ltd changed its legal name to Pacific Blue Retail Pty Ltd in April 2023 (AER, *IPower Pty Ltd and IPower 2 Pty Ltd (trading as ENGIE) – authorised electricity retailer*, AER website, n.d., viewed 8 October 2024; AER, *Pacific Blue Retail Pty Ltd (trading as Tango Energy and Pacific Blue Retail) – authorised electricity retailer*, AER website, n.d., viewed 8 October 2024). Both Simply Energy and Tango Energy still had plans available in the June quarter of 2024.

Table 1.1: Retailers with residential and/or small business plans in SEQ, 2023-24

Retailer	Plans offered		Retailer (cont.)	Plans offered	
	Residential	Small business		Residential	Small business
1st Energy	✓	✓	Kogan Energy	✓	—
AGL	✓	✓	Momentum Energy	✓	✓
Alinta Energy	✓	✓	Nectr	✓	—
Amber Electric	✓	✓	Next Business Energy	✓	✓
Ampol Energy	✓	—	Origin Energy	✓	✓
Blue NRG	—	✓	Ovo Energy	✓	✓
CovaU	✓	✓	Pacific Blue Retail	✓	✓
Diamond Energy	✓	✓	Powershop	✓	✓
Discover Energy	✓	—	ReAmped Energy	✓	✓
Dodo Power & Gas	✓	—	Red Energy	✓	✓
EnergyAustralia	✓	✓	Shell Energy	—	✓
Energy Locals	✓	✓	Simply Energy	✓	✓
ENGIE	✓	✓	Sumo Power	✓	✓
Future X Power	✓	✓	Tango Energy	✓	✓
GloBird Energy	✓	—			

Source: Energy Made Easy; QCA analysis.

1.6 Scope of the report

Consistent with the Minister's requirements,[13] our report provides information on:

- the SEQ retail electricity market, including retailers that provided plans to small customers in SEQ in 2023–24 (chapter 1)
- annual bills for a typical SEQ customer in the June quarter of 2024 and a year before (chapter 2); annual bills for each quarter of 2023–24, by retailer, are provided in appendix A
- discounts, savings and incentives (chapter 3)
- fees and charges (chapter 4)
- trends in weighted bills since 2015–16 (chapter 5)
- customers receiving assistance with electricity bills (chapter 6)
- new types of retail tariff structures and retail electricity plans (chapter 7)
- the competitiveness of the SEQ retail electricity market (chapter 8)
- significant issues (chapter 9).

Appendices to this report (published separately) provide further details, including on the assumptions used to calculate annual bills, and additional information on customers receiving assistance with their bills. Three fact sheets summarise the insights of this report and can help customers to understand the key findings.[14]

[13] The Minister's direction notice and letters are available on our website at Market monitoring report 2023-24.
[14] QCA, *Market monitoring report 2023-24*, QCA website, 2024.

2 Annual bills

Key findings

We analysed standing offer and market offer bills for the typical SEQ customer on the most common tariffs and tariff combinations, based on the plans available on Energy Made Easy,[15] and found:

- Bills increased in 2023–24, especially standing offer bills. Between the June quarters of 2023 and 2024:
  - standing offer bills increased by:
    - between 19.8% and 20.6% for residential customers
    - between 18.2% and 21.5% for small business customers.
  - average lowest market offer bills increased by:
    - between 0.9% and 2.0% for residential customers
    - between 6.4% and 13.6% for small business customers.
- Few retailers had market offers in the June quarter of 2024 that were cheaper for the typical SEQ customer than their cheapest plan a year earlier.
- The cheapest market offers for most tariffs and tariff combinations had a discount or financial incentive attached in the June quarter of 2024.
- The number of retailers providing market offers increased in 2023–24, while the number of retailers providing standing offers decreased.
- Standing offer bills were generally higher than market offer bills in 2023–24.
- The default market offer (DMO) acts as a cap on standing offer prices for the tariffs and tariff combinations covered by the DMO.

2.1 QCA methodology

2.1.1 Most common tariffs and tariff combinations

Various retail tariffs are available in SEQ, such as flat rate, time-of-use, demand, fixed payment and subscription tariffs, as well as tariffs that pass through wholesale market spot prices.

We report on the most common residential and small business tariffs and tariff combinations. We use network tariff data provided by Energex as a proxy for the most common tariffs and tariff combinations, because data on the number of customers on specific plans (and the individual retail tariff that applies to them) is not generally available.

[15] The bill values in this report are in nominal dollars and do not include any rebates or payments provided by the Federal and/or the Queensland Government. For more information, see Appendix B (sections B.3 and B.11).

At the network level, most residential customers (nearly 75%) were on a flat rate tariff or a combination of a flat rate and a controlled load tariff. Over half of small business customers (nearly 55%) were on a flat rate or a time-of-use tariff.[16]

While retailers may offer retail tariffs that match the underlying network tariff, they are not obliged to. A retailer may, for example, offer a simple fixed payment or tariff-based plan that has a differently structured network tariff associated with it.

2.1.2 Typical SEQ customer

Median consumption

We used the same methodology this year as in previous years – that is, we calculated an annual bill for each electricity plan, including goods and services tax (GST), based on a customer with a median consumption level, described as 'the typical SEQ customer'.[17] Table 2.1 shows the median annual consumption levels of small customers in kilowatt hours (kWh). We used these consumption levels to calculate annual bills based on the information we obtained from Energy Made Easy on standing and generally available market offers for SEQ customers in 2023–24.[18]

Table 2.1: Median annual consumption – most common tariffs and tariff combinations

Customer type	Tariff / tariff combination	Median consumption per year (kWh)
Residential	Flat rate (T8400)	4,065
	Flat rate (T8400) + controlled load super economy [a] (T9000)	5,490
	Flat rate (T8400) + controlled load economy [b] (T9100)	5,359
Small business	Flat rate (T8500)	4,223
	Time of use (T8800)	20,433

a Available for a minimum of 8 hours per day, during time periods set at the absolute discretion of Energex.
b Available for a minimum of 18 hours per day, during time periods set at the absolute discretion of Energex.
Sources: Energex, *Energex Network Tariff Guide, 1 July 2023 to 30 June 2024*, 2023, p 23; Energex, unpublished median consumption data for 2022–23.

The annual bills we calculate do not reflect the actual electricity bills paid by customers in SEQ. Actual bills are based on individual customers' actual consumption level. Individual customers may also still be on older plans (legacy offers published in previous financial years).

Difference between residential and small business consumption

Small customers are residential or small business customers that consume less than 100 MWh of electricity per year.[19] In terms of consumption levels and patterns, small business customers are more diverse than residential customers, which also reflects the type of business they operate. For example, a small office-based business operating during standard business hours will have a different consumption level and pattern than a restaurant open 7 days a week with peak operating hours during the evening. The median consumption of small business customers is more stable across the year, while the median consumption of residential customers shows strong seasonal effects.[20]

[16] QCA analysis based on the latest data provided by Energex (unpublished). These were also the most common tariffs and tariff combinations reported on in our previous annual market monitoring reports.
[17] The median consumption is not influenced by individual 'outliers' (high or low values) and, for a customer on a particular tariff, assumes half of all customers use less electricity than the typical customer, and half use more.
[18] The bills do not include the electricity rebates paid by the Queensland Government (Appendix B, section B.1 provides more details on the plans included in our analysis).
[19] NERL, section 5; National Energy Retail Regulations, section 7. Some jurisdictions have different consumption thresholds from that specified in the NERL (see e.g. AER, *State of the energy market 2024*, 2024, p 240).
[20] ACCC, *Inquiry into the National Electricity Market*, June 2023, p 56.

Difference between median annual consumption and annual usage for the DMO determination

Each year, the AER sets a maximum price that retailers can charge electricity customers on default contracts (standing offers). This price, the DMO price or DMO reference bill, is expressed as an annual bill based on annual usage amounts. The AER determines how much electricity a broadly representative small customer of a particular type in a distribution region would consume in a year and the pattern of that consumption. Retailers also use this annual usage to compare their plans against the DMO reference bill in advertisements. For 2023–24, the AER assumed an annual usage in the Energex distribution area as follows:

- residential without controlled load: 4,613 kWh
- residential with controlled load: 4,412 kWh (general usage) + 1,905 kWh (controlled load usage)
- small business without controlled load: 10,027 kWh.[21]

As we calculate bills based on the median consumption of the typical SEQ customer, the standing offer bills we present in this report differ from the DMO reference bills the AER calculates.

2.1.3 Datasets

For stakeholders seeking more detail or wishing to calculate bills based on different consumption levels (such as for small business tariffs), datasets with the plans we used in our analysis are available on request. Figure 2.1 shows how stakeholders can calculate annual bills.

Figure 2.1: Calculation of annual bills

Supply costs	+	Cost of electricity consumed	+	Recurring fees	−	Incentives and discounts	+	GST
daily supply charge × 365.25 days		usage charge × customer's annual consumption level		where applicable		where applicable		10%

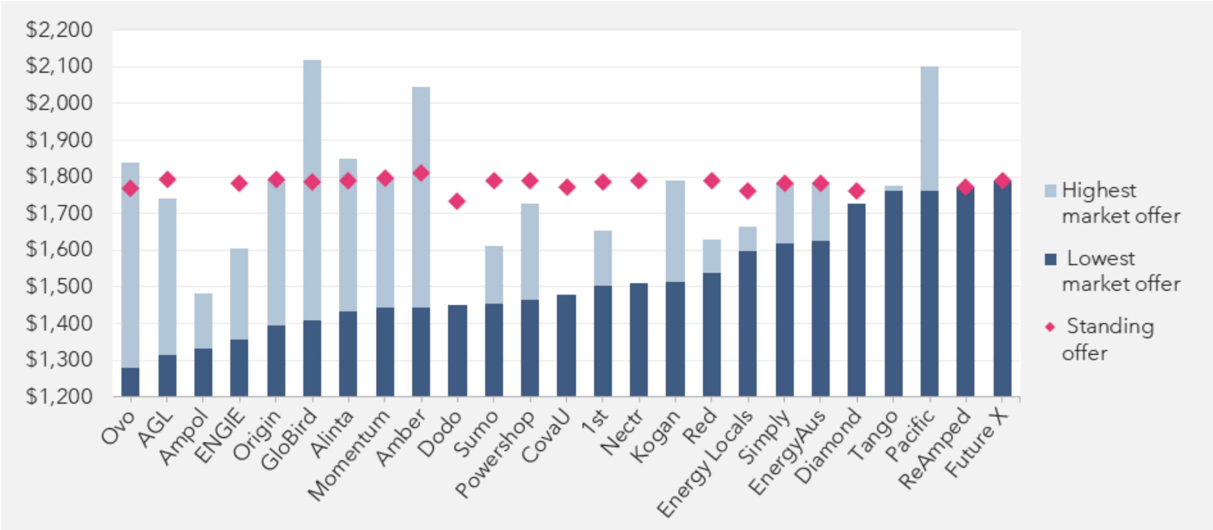
2.2 Residential flat rate offers

2.2.1 Bills in June quarter 2024

In the June quarter of 2024, 25 retailers had plans for the residential flat rate tariff on Energy Made Easy. Of these retailers, 21 had a standing offer and all 25 had at least one market offer. Figure 2.2 shows the bills, by retailer, for a typical SEQ customer.

[21] AER, *Default market offer prices 2023–24* [final determination], 2023, pp 8, 58. The AER does not distinguish between economy and super economy controlled load tariffs, which are commonly used by SEQ customers. For more information, see Appendix B (section B.6).

Figure 2.2: Annual bills for a typical SEQ residential flat rate customer, June quarter 2024



Notes: Retailers are arranged according to their lowest market offer bill (in ascending order). Not every retailer had both standing and market offers. A table with detailed bills, by retailer, is included in Appendix A (section A.2.4).
Sources: Energy Made Easy; QCA analysis.

Market offer bills were generally lower than standing offer bills. In the June quarter of 2024, for a typical SEQ customer on a residential flat rate tariff:

- standing offer bills ranged from $1,735 (Dodo Power & Gas) to $1,810 (Amber Electric)
- market offer bills ranged from $1,279 (Ovo Energy) to $2,120 (GloBird Energy).

Most retailers set their standing offer prices at or just below the DMO reference bill, but some retailers offered standing offers well below the DMO cap.[22]

Ovo Energy's The One Plan offers resulted in the lowest market offer bill. Its offers included a welcome credit of $150, applied as a monthly $50 credit for the first 3 months.

2.2.2 Change from June quarter 2023 to June quarter 2024

Number of retailers

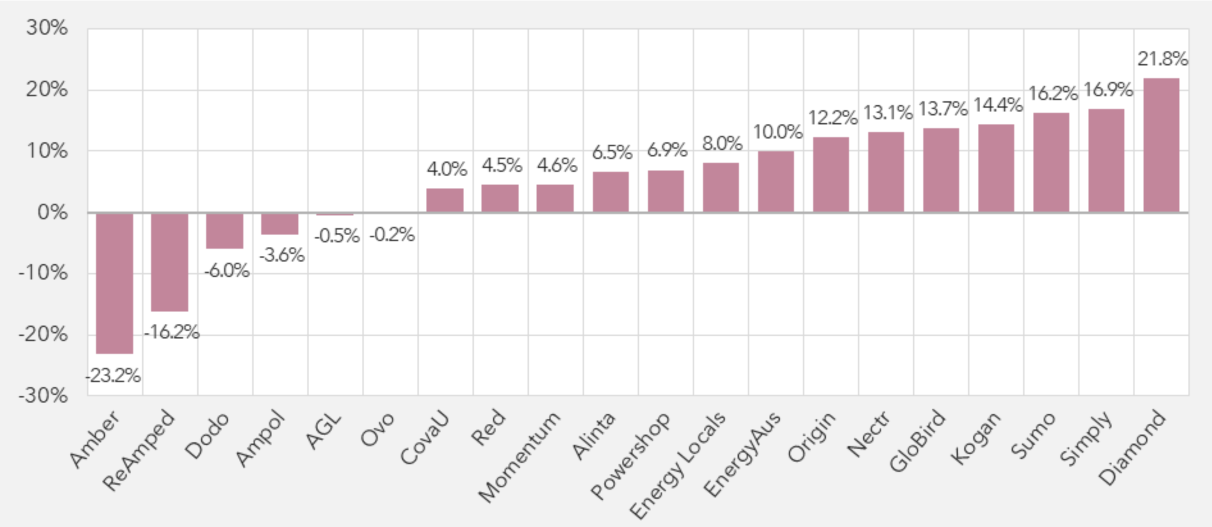
The number of retailers offering residential flat rate plans decreased by one from the June quarter of 2023 to the June quarter of 2024 (from 26 to 25). In the June quarter of 2024, there were 3 fewer retailers with standing offers (a decrease from 24 to 21) but 4 more retailers with market offers (an increase from 21 to 25).

Lowest market offer bills

The average lowest market offer bill increased by 2% (or $30) between the June quarters of 2023 and 2024 (from $1,489 to $1,519).[23] Only 6 retailers had cheaper market offers available in the June quarter of 2024 than a year before. Most retailers increased their lowest market offer. Figure 2.3 shows the percentage change in each retailer's lowest residential flat rate market offer bill from the June quarter of 2023 to the June quarter of 2024.

[22] These observations also apply to the other tariffs and tariff combinations covered by the DMO.
[23] The comparison is based on the plans retailers had available for residential flat rate customers in those 2 quarters. We have recalculated the bill values from the previous year with the consumption level in Table 2.1 to allow a direct comparison. Changes in retailers' lowest market offer bills from quarter to quarter during 2023–24 are shown in Appendix A (section A.2.5).

Figure 2.3: Change in lowest market offer bill for a typical SEQ residential flat rate customer, by retailer, June quarter 2023 to June quarter 2024



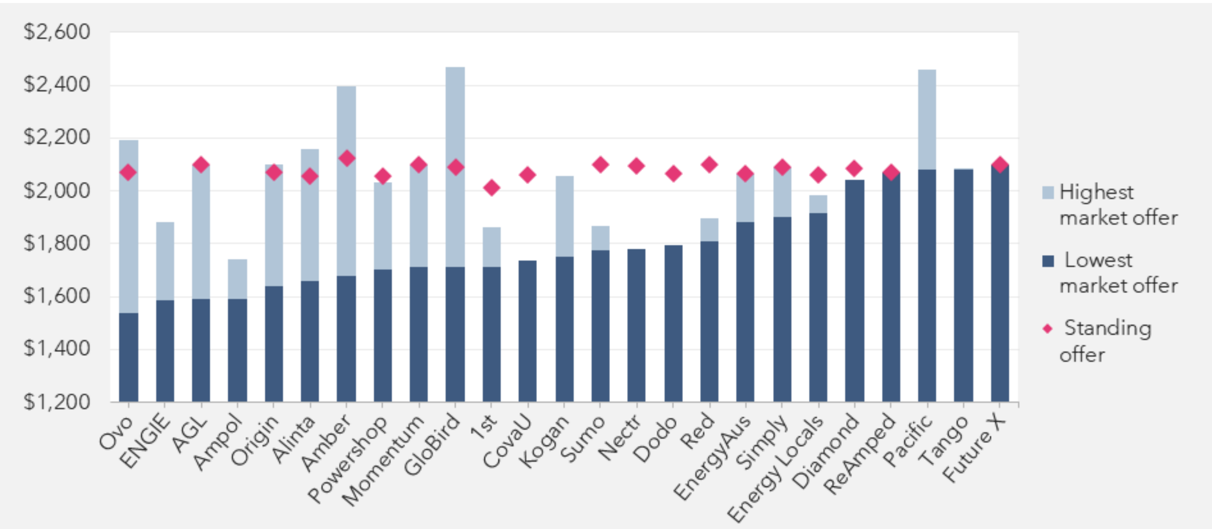
Note: Only retailers with market offers in both quarters are included.
Sources: Energy Made Easy; QCA analysis.

2.3 Residential flat rate offers with controlled load super economy

2.3.1 Bills in June quarter 2024

In the June quarter of 2024, 25 retailers had plans on Energy Made Easy that combined a residential flat rate tariff with a controlled load super economy tariff. Of these retailers, 20 had a standing offer and all 25 had at least one market offer. Figure 2.4 shows the bills, by retailer, for a typical SEQ customer.

Figure 2.4: Annual bills for a typical SEQ residential flat rate with controlled load super economy customer, June quarter 2024



Notes: Retailers are arranged according to their lowest market offer bill (in ascending order). Not every retailer had both standing and market offers. A table with detailed bills, by retailer, is included in Appendix A (section A.3.4).
Sources: Energy Made Easy; QCA analysis.

Market offer bills were generally lower than standing offer bills. In the June quarter of 2024, for a typical SEQ customer on this tariff combination:

- standing offer bills ranged from $2,013 (1st Energy) to $2,124 (Amber Electric)
- market offer bills ranged from $1,538 (Ovo Energy) to $2,468 (GloBird Energy).

Ovo Energy's The Free 3 Plan offers resulted in the lowest market offer bill. Its offers included a welcome credit of $150, applied as a monthly $50 credit for the first 3 months. It also offered free electricity between 11 am and 2 pm daily, which was included as an estimated 20.26% discount off usage charges. However, the retailer noted that the actual discount percentage amount would vary depending on the customer's actual usage during the 'Free 3' period.

2.3.2 Change from June quarter 2023 to June quarter 2024

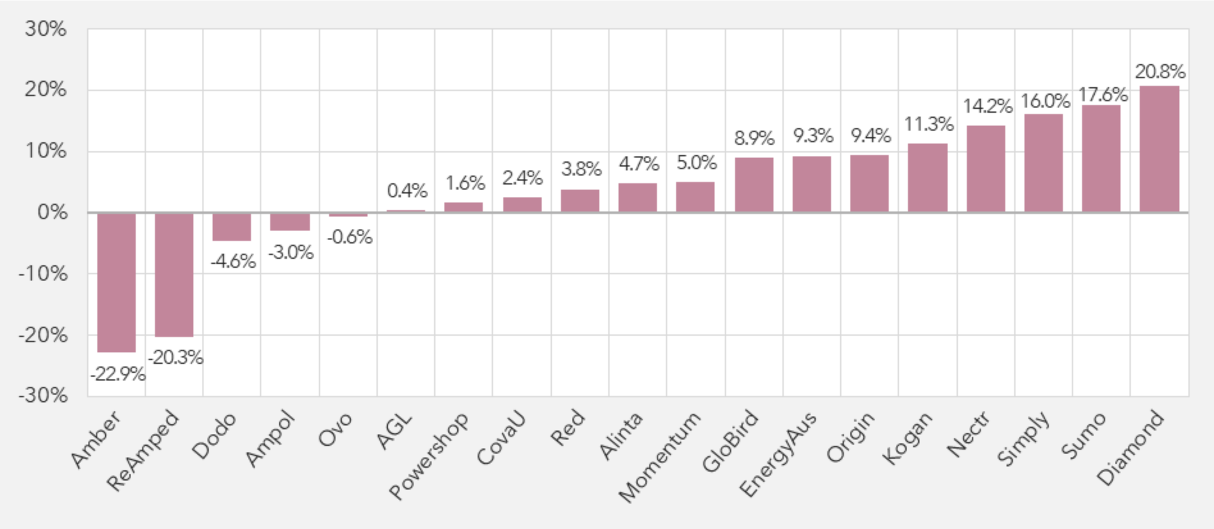
Number of retailers

The number of retailers offering residential flat rate plans with controlled load super economy remained unchanged from the June quarter of 2023 to the June quarter of 2024 (25 retailers in both quarters). In the June quarter of 2024, there were 3 fewer retailers with standing offers (a decrease from 23 to 20) but 4 more retailers with market offers (an increase from 21 to 25).

Lowest market offer bills

The average lowest market offer bill increased by 0.9% (or $16) between the June quarters of 2023 and 2024 (from $1,777 to $1,793).[24] Only 5 retailers had cheaper market offers available in the June quarter of 2024 than a year before. Most retailers increased their lowest market offer. Figure 2.5 shows the percentage change in each retailer's lowest market offer bill for this tariff combination from the June quarter of 2023 to the June quarter of 2024.

Figure 2.5: Change in lowest market offer bill for a typical SEQ residential flat rate with controlled load super economy customer, by retailer, June quarter 2023 to June quarter 2024



Note: Only retailers with market offers in both quarters are included.
Sources: Energy Made Easy; QCA analysis.

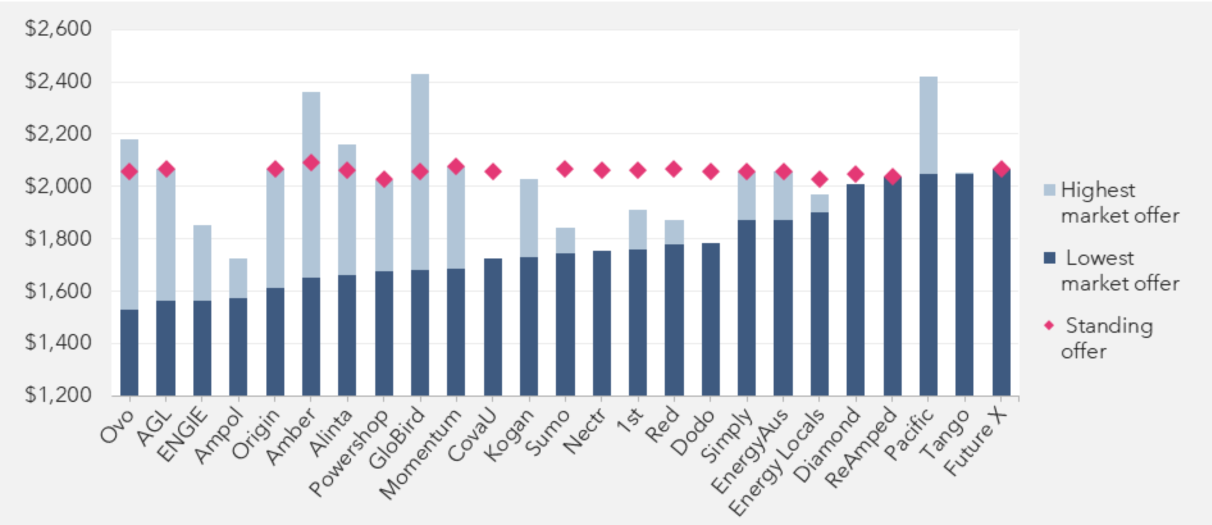
[24] The comparison is based on the plans retailers had available for residential flat rate with controlled load super economy customers in those 2 quarters. We have recalculated the bill values from the previous year with the consumption level in Table 2.1 to allow a direct comparison. Changes in retailers' lowest market offer bills from quarter to quarter during 2023–24 are shown in Appendix A (section A.3.5).

2.4 Residential flat rate offers with controlled load economy

2.4.1 Bills in June quarter 2024

In the June quarter of 2024, 25 retailers had plans on Energy Made Easy that combined a residential flat rate tariff with a controlled load economy tariff. Of these retailers, 20 had a standing offer and all 25 had at least one market offer. Figure 2.6 shows the bills, by retailer, for a typical SEQ customer.

Figure 2.6: Annual bills for a typical SEQ residential flat rate with controlled load economy customer, June quarter 2024



Notes: Retailers are arranged according to their lowest market offer bill (in ascending order). Not every retailer had both standing and market offers. A table with detailed bills, by retailer, is included in Appendix A (section A.4.4).
Sources: Energy Made Easy; QCA analysis.

Market offer bills were generally lower than standing offer bills. In the June quarter of 2024, for a typical SEQ customer on this tariff combination:

- standing offer bills ranged from $2,030 (Energy Locals; Powershop) to $2,093 (Amber Electric)
- market offer bills ranged from $1,530 (Ovo Energy) to $2,431 (GloBird Energy).

Ovo Energy's The Free 3 Plan offers resulted in the lowest market offer bill. Its offers included a welcome credit of $150, applied as a monthly $50 credit for the first 3 months. It also offered free electricity between 11 am and 2 pm daily, which was included as an estimated 20.26% discount off usage charges. However, the retailer noted that the actual discount percentage amount would vary depending on the customer's actual usage during the 'Free 3' period.

2.4.2 Change from June quarter 2023 to June quarter 2024

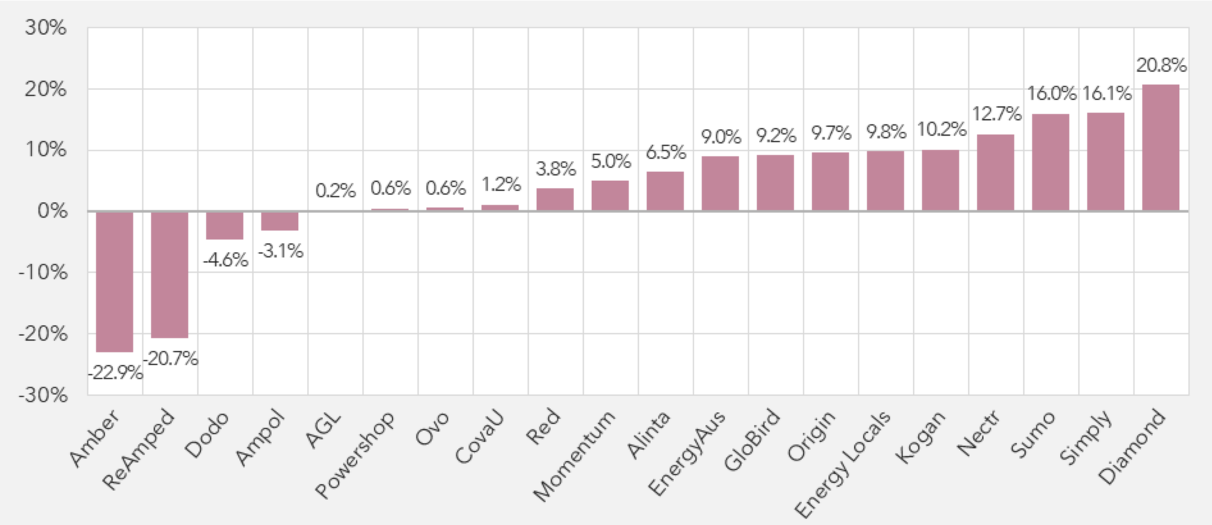
Number of retailers

The number of retailers offering residential flat rate plans with controlled load economy decreased by one from the June quarter of 2023 to the June quarter of 2024 (from 26 to 25). In the June quarter of 2024, there were 4 fewer retailers with standing offers (a decrease from 24 to 20) but 4 more retailers with market offers (an increase from 21 to 25).

Lowest market offer bills

The average lowest market offer bill increased by 0.9% (or $16) between the June quarters of 2023 and 2024 (from $1,758 to $1,773).[25] Only 4 retailers had cheaper market offers available in the June quarter of 2024 than a year before. Most retailers increased their lowest market offer. Figure 2.7 shows the percentage change in each retailer's lowest market offer bill for this tariff combination from the June quarter of 2023 to the June quarter of 2024.

Figure 2.7: Change in lowest market offer bill for a typical SEQ residential flat rate with controlled load economy customer, by retailer, June quarter 2023 to June quarter 2024



Note: Only retailers with market offers in both quarters are included.
Sources: Energy Made Easy; QCA analysis.

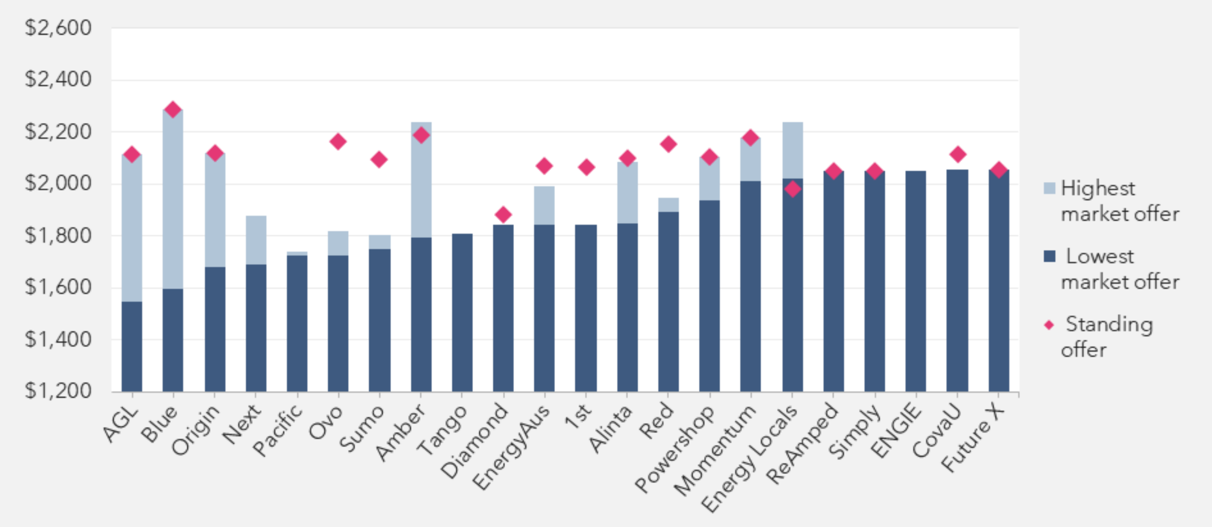
2.5 Small business flat rate offers

2.5.1 Bills in June quarter 2024

In the June quarter of 2024, 22 retailers had small business flat rate plans on Energy Made Easy. Of these retailers, 18 had a standing offer and all 22 had at least one market offer. Figure 2.8 shows the bills, by retailer, for a typical SEQ customer.

[25] The comparison is based on the plans retailers had available for residential flat rate with controlled load economy customers in those 2 quarters. We have recalculated the bill values from the previous year with the consumption level in Table 2.1 to allow a direct comparison. Changes in retailers' lowest market offer bills from quarter to quarter during 2023–24 are shown in Appendix A (section A.4.5).

Figure 2.8: Annual bills for a typical SEQ small business flat rate customer, June quarter 2024



Notes: Retailers are arranged according to their lowest market offer bill (in ascending order). Not every retailer had both standing and market offers. A table with detailed bills, by retailer, is included in Appendix A (section A.5.4).
Sources: Energy Made Easy; QCA analysis.

Market offer bills were generally lower than standing offer bills. In the June quarter of 2024, for a typical SEQ customer on a small business flat rate tariff:

- standing offer bills ranged from $1,880 (Diamond Energy) to $2,289 (Blue NRG)
- market offer bills ranged from $1,548 (AGL) to $2,288 (Blue NRG).

AGL's Business Value Saver (3rd Party New to AGL), Business Value Saver (3rd Party Partners – New to AGL), Business Value Saver (New AGL Customers) and Business Value Saver (New To AGL) plans resulted in the lowest market offer bills. Each of these plans had a $250 sign-up credit attached, which was applied to the first bill.

2.5.2 Change from June quarter 2023 to June quarter 2024

Number of retailers

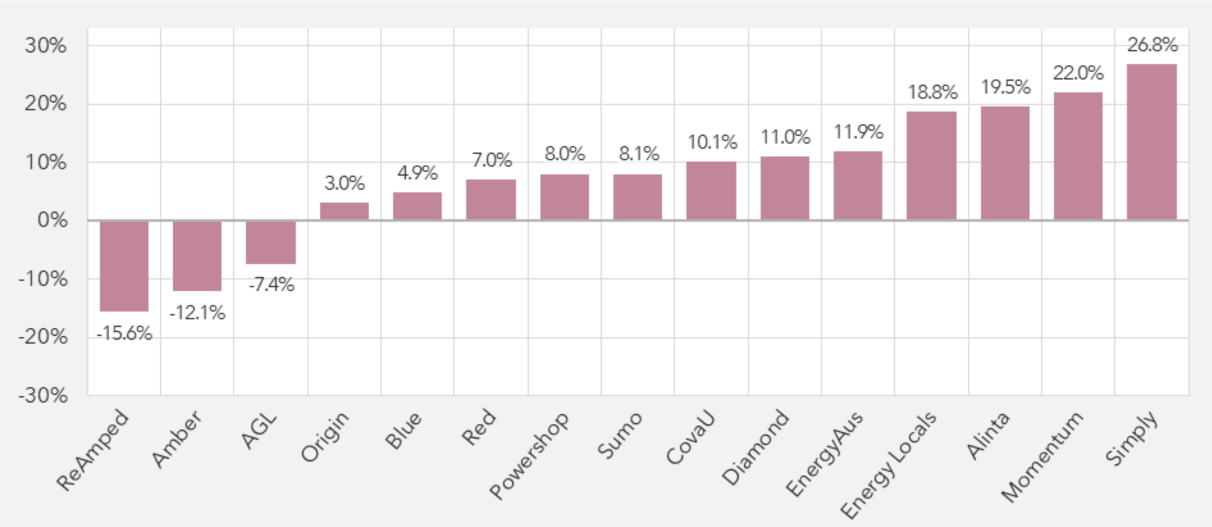
The number of retailers offering small business flat rate plans increased by 3 from the June quarter of 2023 to the June quarter of 2024 (from 19 to 22). In the June quarter of 2024, there was one fewer retailer with standing offers (a decrease from 19 to 18) but 7 more retailers with market offers (an increase from 15 to 22).

Lowest market offer bills

The average lowest market offer bill increased by 6.4% (or $111) between the June quarters of 2023 and 2024 (from $1,744 to $1,855).[26] Only 3 retailers had cheaper market offers available in the June quarter of 2024 than a year before. Most retailers increased their lowest market offer. Figure 2.9 shows the percentage change in each retailer's lowest market offer bill for customers on small business flat rate offers from the June quarter of 2023 to the June quarter of 2024.

[26] The comparison is based on the plans retailers had available for small business flat rate customers in those 2 quarters. We have recalculated the bill values from the previous year with the consumption level in Table 2.1 to allow a direct comparison. Changes in retailers' lowest market offer bills from quarter to quarter during 2023–24 are shown in Appendix A (section A.5.5).

Figure 2.9: Change in lowest market offer bill for a typical SEQ small business flat rate customer, by retailer, June quarter 2023 to June quarter 2024



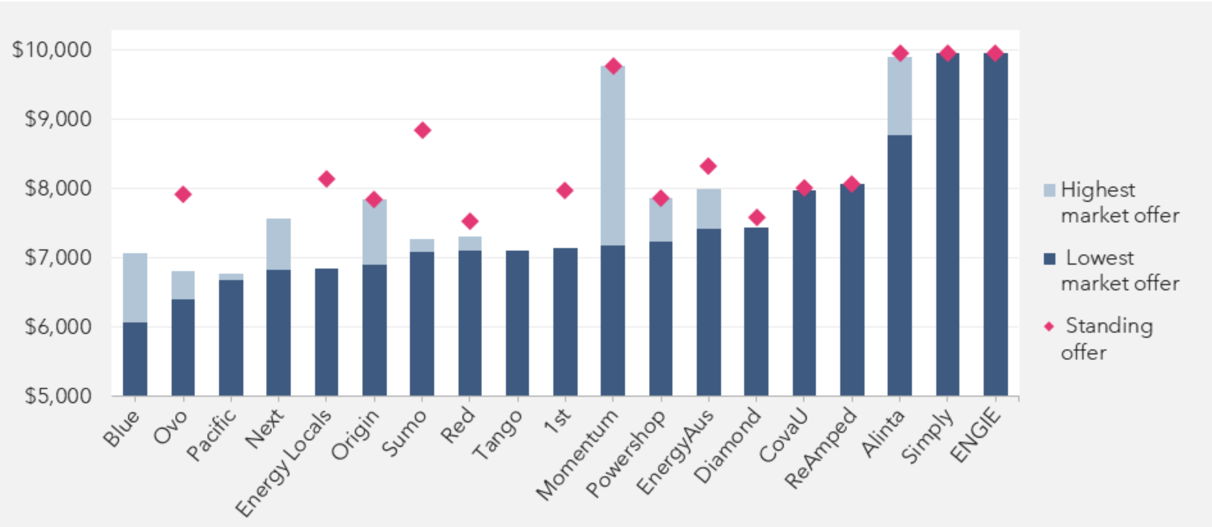
Note: Only retailers with market offers in both quarters are included.
Sources: Energy Made Easy; QCA analysis.

2.6 Small business time-of-use offers

2.6.1 Bills in June quarter 2024

In the June quarter of 2024, 19 retailers had small business time-of-use plans on Energy Made Easy. Of these retailers, 15 had a standing offer and all 19 had at least one market offer. Figure 2.10 shows the bills, by retailer, for a typical SEQ customer.

Figure 2.10: Annual bills for a typical SEQ small business time-of-use customer, June quarter 2024



Notes: Retailers are arranged according to their lowest market offer bill (in ascending order). Not every retailer had both standing and market offers. A table with detailed bills, by retailer, is included in Appendix A (section A.6.4).
Sources: Energy Made Easy; QCA analysis.

Market offer bills were generally lower than standing offer bills. In the June quarter of 2024, for a typical SEQ customer on a small business time-of-use tariff:

- standing offer bills ranged from $7,528 (Red Energy) to $9,968 (ENGIE; Simply Energy)
- market offer bills ranged from $6,074 (Blue NRG) to $9,968 (ENGIE; Simply Energy).

Blue NRG's Blue Super24 8800, Blue Super24 8820, Blue Super24 (Tariff: 8850) and Blue Super24 8870 plans, which resulted in the lowest market offer bill, did not have any discounts or incentives attached.

2.6.2 Change from June quarter 2023 to June quarter 2024

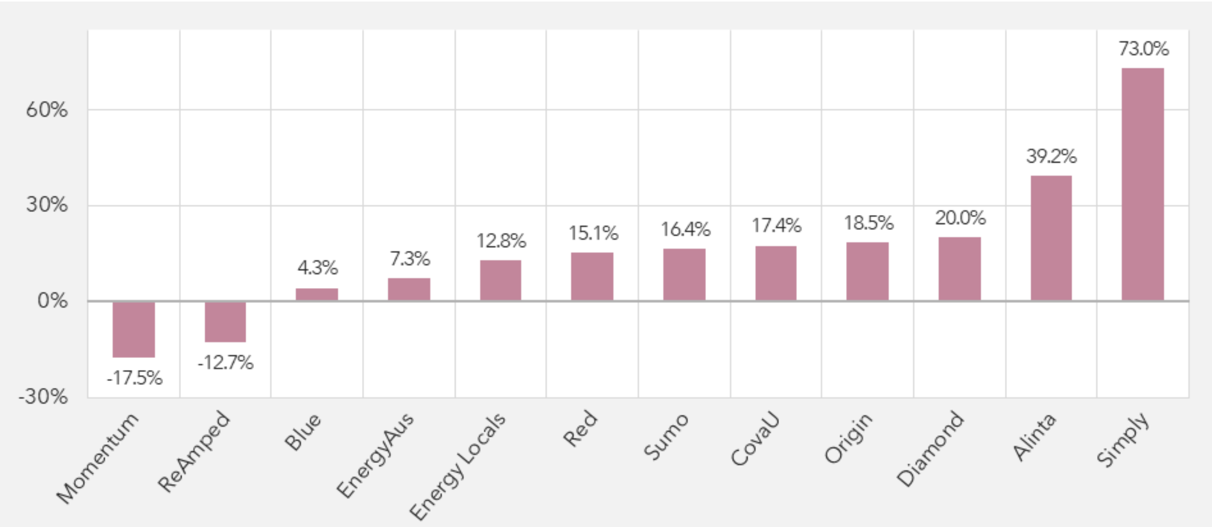
Number of retailers

The number of retailers offering small business time-of-use plans increased by one from the June quarter of 2023 to the June quarter of 2024 (from 18 to 19). In the June quarter of 2024, there were 2 fewer retailers with standing offers (a decrease from 17 to 15) but 5 more retailers with market offers (an increase from 14 to 19).

Lowest market offer bills

The average lowest market offer bill increased by 13.6% (or $894) between the June quarters of 2023 and 2024 (from $6,591 to $7,485).[27] Only 2 retailers had cheaper market offers available in the June quarter of 2024 than a year before, while most retailers increased their lowest market offer. Figure 2.11 shows the percentage change in each retailer's lowest market offer bill for customers on small business time-of-use offers from the June quarter of 2023 to the June quarter of 2024.

Figure 2.11: Change in lowest market offer bill for a typical SEQ small business time-of-use customer, by retailer, June quarter 2023 to June quarter 2024



Note: Only retailers with market offers in both quarters are included.
Sources: Energy Made Easy; QCA analysis.

[27] The comparison is based on the plans retailers had available for small business time-of-use customers in those 2 quarters. We have recalculated the bill values from the previous year with the consumption level in Table 2.1 to allow a direct comparison. Changes in retailers' lowest market offer bills from quarter to quarter during 2023–24 are shown in Appendix A (section A.6.5).

2.7 General observations

Standing offer bills

- As wholesale energy costs increased, the DMO and the average standing offer bill increased in 2022–23 and 2023–24.
- Standing offer prices (and bills) vary to some extent between retailers, even though the DMO prices set by the AER act as a cap on standing offer prices. The AER sets the DMO as an annual bill for a set consumption level and thereby gives retailers the 'flexibility to translate the annual amount into different tariff structures'.[28]
- Standing offer bills were generally higher than market offer bills in 2023–24. However, this has not always been the case since 2021–22, as retailers started to increase their market offer prices in response to rising wholesale energy costs, whereas standing offer prices remained capped by the DMO that the AER sets annually before the financial year starts.

Market offer bills

- For each of the tariffs and tariff combinations we report on, average lowest market offer bills increased between the June quarters of 2023 and 2024, with larger increases recorded for small business tariffs.
- Only few retailers had a market offer available in the June quarter of 2024 that was cheaper – for the typical SEQ customer – than their cheapest market offer in the June quarter of 2023. Most retailers' lowest market offer was more expensive.
- Although the bills were higher overall, there was still a substantial price dispersion between the highest- and the lowest-priced plans in 2023–24.[29] This means that customers could still have saved on energy bills if they effectively navigated the market and shopped around for the best plan for their circumstances, including their individual consumption.

Higher costs are reflected in higher bills

- Retailers' prices are shaped by demand and the nature of competition, but their prices are also impacted by the underlying costs such as wholesale energy costs. These costs increased significantly in 2021–22 and 2022–23 and according to the AER reached record levels in June and July 2022. The AER noted in September 2022 that the recent months were 'the most tumultuous in the history of Australia's energy markets'.[30]
- The ACCC observed in June 2024 that conditions in the wholesale energy market had been easing over the past year, and wholesale prices were close to levels prior to the wholesale market volatility of 2022. The ACCC noted, however, that while wholesale market conditions had eased, network costs were expected to increase through 2024.[31]
- Wholesale energy costs tend to be more volatile than the electricity prices consumers pay because retailers generally 'hedge' the cost of their electricity purchases through financial contracts to purchase electricity at agreed rates at a certain point in the future. Customers are thus generally not impacted by short-term spikes in wholesale energy spot prices.[32]

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[28] AER, *Default Market Offer Prices 2019–20* [final determination], 2019, p 9. The AER sets the DMO as an annual bill for a set consumption level (which differs from the median consumption level in Table 2.1 that we use in our report).
[29] We explore the spread of prices in more detail in section 8.4 of this report.
[30] AER, *Wholesale Markets Quarterly Q2 2022* [April–June], 2022, p 1.
[31] ACCC, *Inquiry into the National Electricity Market*, June 2024, pp 3, 13, 16.
[32] ACCC, *Inquiry into the National Electricity Market* [Addendum to the May 2022 report], 2022, p 7.

- Retailers use different approaches to manage spot price risk. If a retailer is more heavily hedged – that is, if it has arrangements to purchase a larger proportion of its required electricity load further into the future – it will generally be less exposed to short-term changes in wholesale spot market prices than retailers who are more lightly hedged. Longer periods of high wholesale spot electricity prices will drive increased contract prices, which will eventually flow through to customers as higher retail electricity prices. The degree and timing of these price increases for customers depend on their retailer's risk management approach.[33]
- The ACCC emphasised that changes in costs take time to flow through to retailers' costs. Hedging contract markets determine the wholesale costs that flow through to customer bills. Market changes would therefore 'take time, sometimes years, to flow through to customer bills'.[34]
- The AER increased DMO prices for SEQ customers in 2024–25 by 4.9% for residential customers without controlled load, 2.2% for residential customers with controlled load, and 1.4% for small business customers without controlled load.[35] It noted that since its 2023–24 determination, it had observed wholesale costs easing off, while network costs had increased.[36]

2.8 Key considerations for customers

Standing offer and market offer bills for the typical SEQ customer have increased substantially since 2021–22. It is therefore important for customers to consider the following key points:

- Individual customers' consumption is likely to differ from the consumption of the typical SEQ customer that the bills in our report are based on. As bills vary with consumption, the cheapest plan we present in our report will not be the cheapest plan for every SEQ customer.
- Customers are advised to enter their National Metering Identifier (a unique number for the electricity connection at their address that is included on the bill) when they search for a new plan on Energy Made Easy. This will ensure that they get personalised results and can find the cheapest plan for their individual consumption level.
- Retailers regularly publish new plans. The cheapest plans we present in our report may not be available anymore, and other retailers may now have better plans available.
- Customers who have not signed a new electricity contract recently may face prices that differ substantially from the bills presented in this report. Active customers are likely to pay less than inactive or disengaged customers.
- Some retailers' standing offers were cheaper than their market offers in recent years. Retailers are not obliged to move customers onto their standing offer when they increase the price of their existing market offer. If customers do not want to switch retailers, they can contact their retailer, as they have the right to receive the standing offer.
- Customers are advised to always compare market offers with the price of a standing offer. Retailers have to indicate the difference to the DMO reference bill (standing offer bill for a customer with the model annual electricity usage) as a percentage in their advertisements.

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[33] ACCC, *Inquiry into the National Electricity Market* [Addendum to the May 2022 report], 2022, p 7.
[34] ACCC, *Inquiry into the National Electricity Market*, June 2024, p 17.
[35] AER, *Default market offer prices 2024–25* [revised final determination], 2024, p 6.
[36] AER, *Default market offer prices 2024–25* [final determination, track-changed comparison], 2024, pp 1–2.

- Standing offers typically provide more favourable terms and conditions than market offers. This can provide benefits to some customers.[37] However, market offers may have discounts or financial incentives attached that could reduce a customer's bill.
- Being on a market offer does not guarantee that a customer receives the lowest possible bill; there are significant differences between market offers, often even between the plans of the same retailer. Moreover, the supply and/or usage charges of a market offer may increase over time and the initial discount period may expire. Therefore, even many customers who are on a market offer already have the potential to save by switching to a cheaper offer from their current retailer or by switching retailers.
- Customers should always check the 'better offer' statement on their bill. The AER's Better Bills Guideline requires retailers to regularly provide a 'better offer' message and information on Energy Made Easy to encourage consumers to switch to the best plan available.
- Before customers switch, they should carefully check the terms and conditions of the new plan to ensure that the plan suits their individual situation and preferences. For example, customers may need to factor in additional fees if they prefer to receive paper bills, or they may miss out on a discount or a financial incentive attached to the plan if they do not meet all the conditions. Chapters 3 and 4 provide more information on discounts, incentives and fees.

[37] These additional benefits include access to paper bills at no extra cost, better payment terms (such as bill smoothing) and ongoing certainty of terms (i.e. retailers cannot change terms or impose restrictions as they can under market contracts).

3 Discounts, savings and incentives

Key findings

We assessed the discounts, savings and incentives attached to residential and/or small business plans in the June quarter of 2024 and compared them to those in the June quarter of 2023. We found:

- In the June quarter of 2024, more retailers attached:
  - discounts – guaranteed discounts continued to be more common than conditional discounts
  - financial incentives – sign-up and other credits were still the most common financial incentives. No new types of financial incentives were offered this year
  - non-financial incentives – similar types of non-financial incentives were offered again, but some new incentives include Velocity points, Netflix Standard and a Local Rewards membership.
- GreenPower options for electricity from certified renewable energy sources were offered by various retailers in the June quarter of 2024. The GreenPower options and their prices had not changed much since the June quarter of 2023. Various retailers also offered carbon offset options again.
- Various plans had conditions and/or eligibility criteria attached. This means that some customers may not have been able to take up those plans or they may have forfeited the discounts or incentives if they did not meet the conditions or criteria, which could have resulted in a higher bill.
- Discounts, incentives and GreenPower options can provide value to customers but can also add complexity for customers when they review and compare plans.

3.1 Types of discounts, incentives and conditions

Guaranteed vs conditional discounts

Guaranteed discounts are any discounts that do not require a particular action or behaviour on the part of the customer.

Conditional discounts are discounts that only apply if a customer satisfies certain requirements or conditions.[38]

If a discount is conditional, retailers must provide sufficiently clear information to describe the requirements or conditions that a customer must satisfy. Conditional discounts can include, but are not limited to:

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[38] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, pp 9–10, paras 35-36.

- pay on time discounts
- bundling discounts (e.g. when a customer signs up to both electricity and gas with a retailer)
- direct debit discounts
- discounts based on customer type (e.g. new customer) or method of sign-up (e.g. online only)
- 'refer a friend' type credits.[39]

Financial vs non-financial incentives

Retailers can attach other benefits and/or savings ('incentives') to their plans. An incentive is defined as 'a benefit to the customer other than a discount' and can include non-price benefits, one-off price benefits or physical gifts that are provided to a customer when they enter a contract. Examples of non-price incentives are vouchers for use in energy retail stores, magazine subscriptions, cinema tickets or tickets to sporting events.[40]

Retailers do not categorise their incentives as either a financial or a non-financial incentive on Energy Made Easy. We generally classify an incentive as a financial incentive if it leads to a reduction of a customer's bill or if it has a direct cash equivalent, such as a gift card or prepaid credit card. If an incentive provides benefits and/or savings that do not directly reduce the bill value, we treat it as a non-financial incentive. Accordingly, we only include financial incentives in our bill calculations.

Eligibility criteria

In addition to discounts and incentives, some retailers attach eligibility restrictions/criteria to their plans. Eligibility criteria are specific conditions that a customer must meet to access a generally available plan – for example, being a member of a club/organisation, signing up to the plan through a comparison website, signing up to the plan online, being a concession card or seniors card holder, or being a new customer.[41]

3.2 QCA methodology

As in previous years, we compared and assessed the types of discounts, savings and incentives attached to retailers' generally available market offers using information from Energy Made Easy. Retailers can vary their market offers in several ways – for example, by:

- offering different supply and/or usage charges for different plans
- attaching guaranteed and/or conditional discounts of different types and levels
- attaching other financial or non-financial incentives
- attaching GreenPower options.[42]

We consider GreenPower options as a non-financial incentive. GreenPower options do not lead to any reduction in customers' bills but allow customers to reduce their carbon emissions.

We focus on market offers because retailers generally attach discounts, savings and incentives to their market offers only.[43] We present data for residential flat rate market offers (section 3.4) and

[39] AER, *Retail Pricing Information Guidelines obligations for retailers* [guidance note], 2021; ACCC, *Guide to the Electricity Retail Code* [version 3], 2021, pp iv, 17.
[40] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, p 10, paras 38–42.
[41] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, pp 11–12, paras 48(k), 51.
[42] GreenPower is a scheme that enables households and businesses to displace all or part of their electricity usage with certified renewable energy, which is added to the electricity grid on their behalf.
[43] No retailer attached any discounts to their flat rate standing offers in 2023–24, but some retailers continued to attach GreenPower options. EnergyAustralia again attached its 'PowerResponse program rebate' as an incentive to some standing offers, and Origin Energy attached a 'Origin Go Zero Electricity' incentive.

small business flat rate market offers (section 3.5) in the June quarter. This is consistent with our approach in previous years, which showed that the June quarter data is broadly representative of the discounts, incentives and GreenPower options available over the course of the year for the different residential and small business tariffs.[44]

3.3 Regulation of discounting

In recent years, there have been significant changes to the regulation of discounting on retail electricity plans:[45]

- **Discounts on inflated prices:** Retailers are not allowed to attach discounts to a market offer where at least one price is above the equivalent price in a standing offer and no prices in the market offer are below the equivalent price in a standing offer. Retailers are thereby prevented from publishing plans where no customer could be better off under the undiscounted market offer than under the standing offer.[46]
- **Advertising of discounts:** Retailers must compare their prices in plans, advertisements and publications with a 'reference price' set by the AER. For each market offer, retailers must present an annual bill for a 'representative customer' – based on the model annual usage set by the AER – that includes all conditional discounts (if any). The difference between this bill and the reference price (annual DMO reference bill), must be expressed as a percentage of the reference price to provide a uniform basis for customers to compare market offers.[47]
- **Restriction of discount (and fee) amounts:** Conditional discounts and conditional fees are limited to the 'reasonable costs' a retailer is likely to incur when payment conditions are not met.[48] This restriction intends to improve plan comparability and protect consumers from excessive penalties in retail contracts with conditional discounts.[49]

These regulatory changes appear to have impacted customer and retailer behaviour. We observed in previous reports that there had been a general shift away from conditional towards guaranteed discounts and that the value of conditional discounts (where still available) had decreased. However, we also found that some plans now had eligibility criteria attached, which were similar in nature to a conditional discount. We share the ACCC's view that the use of eligibility criteria increases price certainty and transparency for customers when signing up to such a plan, which is a positive step.[50]

The ACCC considered that the regulation of conditional discounting had been effective, but that the combination of customer disengagement and the exclusion of legacy contracts from regulation, had

[44] As in previous years, we found that the types and value (in dollar and percentage terms) of discounts, incentives and GreenPower options did not vary significantly between the 5 tariffs and tariff combinations that we cover in this report and between the 4 quarters.

[45] More information on the policy intent and impacts of these regulatory changes is available in section 3.3 of our market monitoring report for 2019–20 (QCA, *SEQ retail electricity market monitoring 2019–20*, 2020, pp 34–36).

[46] Rule 46B of the National Energy Retail Rules (NERR), in effect since 1 July 2018; AEMC, *National Energy Retail Amendment (Preventing discounts on inflated energy rates) Rule 2018* [final determination], 2018, pp ii–iii. See also AEMC, *National Energy Retail Amendment (Preventing discounts on inflated energy rates) Rule 2018 No 2* [final rule], 2018, schedule 1. We discussed some of the issues surrounding the introduction of the rule in our market monitoring report for 2017–18 (QCA, *SEQ retail electricity market monitoring: 2017–18* [updated report], 2019, p 63).

[47] Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019 (Cth) (Electricity Retail Regulations), part 2 – Electricity Retail Code of Conduct (Electricity Retail Code), in force since 1 July 2019; ACCC, *Inquiry into the National Electricity Market*, November 2019, pp 10, 22–23.

[48] AEMC, *National Energy Retail Amendment (Regulating conditional discounting) Rule 2020 No 1* [final rule], 2020, schedule 1.

[49] Rules 46C and 52B of the NERR, in force since 1 July 2020; AEMC, *National Energy Retail Amendment (Regulating conditional discounting) Rule* [final determination], 2020, pp i–ii, 9–10. The ACCC explained that it is not concerned about conditional discounts that 'appropriately and efficiently allocate risk between consumers and retailers'. Conditional discounts that reflect reasonable costs to the retailer when the consumer fails to meet a payment condition can ensure that these costs are not distributed across all customers (ACCC, *Inquiry into the National Electricity Market*, December 2023, p 63).

[50] ACCC, *Inquiry into the National Electricity Market*, December 2023, p 63.

allowed conditional discounts to persist.[51] Based on billing data, the ACCC found that customers on plans with conditional discounts attached generally paid similar or higher effective prices than customers on plans without conditional discounts attached, even if they met the conditions attached to the discount. Such plans can also impose a penalty on customers who do not meet the discount conditions, which disproportionately affects vulnerable customers.[52]

The ACCC recommended in late 2023 that policy makers should investigate – as a matter of priority – how best to reduce the number of customers on legacy plans with large conditional discounts.[53] In August 2024, the AEMC received a rule change request from the Minister for Climate Change and Energy, which was recommended by the Energy and Climate Change Ministerial Council. The proposed rule seeks to amend the NERR to:

- remove the grandfathering arrangements that allow some legacy market offers to include 'unreasonably large' conditional discounts
- ensure that conditional discounts are limited to reasonable costs.[54]

3.4 Residential flat rate offers

3.4.1 Discounts

The discounts attached to residential flat rate market offers in the June quarter of 2024 (Table 3.1) were similar to those in the other quarters of 2023–24[55] and included:

- guaranteed discounts
- pay on time discounts
- pay on time discounts combined with a certain payment or billing method
- a discount that applied during a certain time only.

Table 3.1: Discounts – residential flat rate market offers, June quarter 2024

Retailer	Guaranteed	Pay on time	Pay on time and payment/billing methods	Time of day
1st Energy	7% off bill [a]	–	–	–
Alinta Energy	15% off bill [b]	–	–	–
CovaU	20% off usage [a]	–	–	–
Diamond Energy	–	–	2% off bill [a,c]	–
EnergyAustralia	1%, 5% or 9% off bill [d]	–	–	–
ENGIE	10%, 13%, 18%, 19% or 20% off bill [a]	5% off bill [e]	–	–
GloBird Energy	–	2% off bill [f]	1% off bill [g]	–
Ovo Energy	–	–	–	12.9% or 20.26% off usage [h]
Simply Energy	3%, 4% or 5% off bill [i]	5% off bill [i]	–	–
Sumo Power	10% off bill [j]	–	–	–

[51] ACCC, *Inquiry into the National Electricity Market*, December 2023, p 65.
[52] ACCC, *Inquiry into the National Electricity Market*, June 2024, pp 4, 23, 63–65. We investigate the issue of customers on legacy market offers in more detail in section 9.1 of this report.
[53] ACCC, *Inquiry into the National Electricity Market*, December 2023, p 9. We investigate the issue of customers on legacy market offers in more detail in section 9.1 of this report.
[54] AEMC, *Removing unreasonable conditional discounts*, AEMC website, n.d., viewed 27 September 2024.
[55] EnergyAustralia, however, stated that it offered higher discounts in the March and June quarters of 2024 'amid the intense competitive market' (statement by parent company CLP Group, cited in A Macdonald-Smith, 'EnergyAustralia returns profit as prices jump', *Australian Financial Review*, 5 August 2024, viewed 6 August 2024).

a The discount(s) were attached to all plans. 1st Energy, CovaU and Diamond Energy only had one plan available.
b The 'BetterDeal' discount was only attached to 2 plans and was conditional upon receiving all communications (including bills) electronically.
c Ongoing discount on GST exclusive supply and usage charges with email invoicing and full payment received by due date.
d Only 4 market offers had a guaranteed discount attached. Discounts applied to GST inclusive energy charges.
e The additional '5% Prompt Payment Discount' when paying the bill on time was only attached to one plan, which also had a 19% guaranteed discount attached.
f Customers received a 2% discount off supply and usage charges when they paid their bill on time. The discount was attached to all plans, except for the Boost Residential (Flat Rate) Energex plans.
g Customers received a 1% discount off supply and usage charges when they paid their bill on time by direct debit. The discount was attached to all plans, except for the Boost Residential (Flat Rate) Energex plans.
h The 'Free 3 Rate' discount amount stated was an estimate. The actual discount percentage amount varied depending on a customer's actual usage during the 'Free 3' period (11 am to 2 pm daily). The discount excluded controlled load. For 2 plans, the discount was categorised as a conditional discount and for 4 plans as an unconditional discount.
i Only 3 plans did not have a guaranteed discount attached. The additional 5% pay on time discount was attached to one plan only, which also had a 4% guaranteed discount off the bill attached.
j Only one of Sumo Power's 2 plans had this guaranteed discount attached.

Notes: A dash (–) means the retailer did not attach the discount type to any of its residential flat rate market offers in this quarter. If a retailer had a discount attached, it did not necessarily attach the discount to each residential flat rate market offer or during the entire quarter. Simply Energy rebranded to ENGIE in April 2024 and had plans available under both names in the June quarter of 2024.
Sources: Energy Made Easy; QCA analysis.

More retailers offered discounts than a year before

In the June quarter of 2024, 10 of the 25 retailers with residential flat rate market offers attached guaranteed and/or conditional discounts to at least one of their plans. In the June quarter of 2023, only 4 of the 21 retailers attached guaranteed or conditional discounts to at least one of their residential flat rate market offers.[56] All 4 retailers also offered discounts in the June quarter of 2024. The 6 additional retailers include ENGIE (Simply Energy's new name) and 5 retailers that did not have discounts attached to their market offers in the June quarter of 2023 or did not have any market offers available.

However, although more retailers offered discounts than a year before, fewer still did so than a few years ago. Changes to the regulation of discounting (discussed in section 3.3) may have influenced retailers' decision to attach discounts – in particular, very high conditional discounts, which were common a few years ago.

Guaranteed discounts remained more common

In the June quarter of 2024, 7 of the of 10 retailers with discounts offered guaranteed discounts. Of these 7 retailers, 5 only offered guaranteed discounts, while the remaining 2 retailers also offered conditional discounts. There were 3 retailers that only offered conditional discounts in the June quarter of 2024. This compares to 2 retailers with only guaranteed discounts and 2 retailers with only conditional discounts in the June quarter of 2023.

The size of the guaranteed discounts was substantially higher in the June quarter of 2024 compared to the June quarter of 2023. In both June quarters, the value of the guaranteed discounts was generally higher than the value of the conditional discounts.

Some plans combined a pay on time discount with payment/billing methods

The same discount combinations and amounts were available as in the June quarter of 2023:

- Diamond Energy attached a 2% discount off the total bill if customers received bills by email and paid on time.

[56] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, p 32.

- GloBird Energy attached a 2% pay on time discount and an extra 1% pay on time via direct debit discount to most plans (both discounts off the bill), effectively making it a 3% discount off the bill when both payment criteria were met by the customer.

Some plans had eligibility criteria attached

Some plans that had discounts attached also had eligibility restrictions attached – for example:

- EnergyAustralia had 2 plans that were for 'Comparators only' – that is, they were only available through selected partner or third-party channels.[57]
- Simply Energy had plans published that were only available to 'Home Business' customers,[58] users of the Employment Hero platform or customers who were moving house within 60 days.
- ENGIE and Simply Energy required customers to hold a Seniors Card or be a member of a qualifying organisation or association to be eligible for 2 of their plans.[59]

3.4.2 Financial incentives

The financial incentives attached to residential flat rate market offers in the June quarter of 2024 (Table 3.2) were similar to those in the other quarters of 2023–24.

Table 3.2: Financial incentives – residential flat rate market offers, June quarter 2024

Retailer	Financial incentive
1st Energy[a]	**Sign-up credit** $150 credit applied in the second month of billing
AGL[b]	**Sign-up credit** $25 credit on the first bill $75 credit on the first bill $150 credit on the first bill $175 credit on the first bill $200 credit on the first bill $225 credit on the first bill **Bonus digital Mastercard** $50 prepaid card if customers remained with AGL for at least 30 days from sign-up $100 prepaid card if customers remained with AGL for at least 30 days from sign-up
Alinta Energy[a]	**Bonus credit** $50 account credit on the first bill if customers were still on that plan at that time
Amber Electric[a,c]	**Welcome credit** $100 credit applied over 6 months $120 credit applied over 6 months $150 credit applied over 6 months $180 credit applied over 6 months
Ampol Energy[d]	**Digital gift card** $150 Ampol Cash digital gift card via email for new sign-ups, redeemable at participating Ampol locations Australia-wide
CovaU[e]	**Refer a friend credit** $50 credit applied to the existing and the new customer's accounts, if sign-up was completed using a 'Refer a Friend' link from an existing CovaU customer
Diamond Energy[e,f]	**Refer a friend discount** 2% ongoing discount off the bill for each customer or property an existing customer referred and for the period the friend stayed with Diamond Energy. Discounts were additive. The friend also received a $35 (incl GST) sign-up credit.

[57] No information was provided on Energy Made Easy on which channels/partners offered these 2 plans.
[58] No information was provided on Energy Made Easy on the criteria to be considered a 'Home Business' customer.
[59] No information was provided on Energy Made Easy on what a 'qualifying organisation or association' is.

Retailer	Financial incentive
Energy Locals[g]	**Refer a friend credit** $50 credit applied to the existing and the new customer's accounts, if sign-up was completed using a 'Refer a Friend' link from an existing Energy Locals customer
ENGIE[h]	**EV night time saver** 6 c/kWh super off-peak discount on overnight rates between 12 am and 6 am to reduce the running cost of an electric vehicle (EV)
Kogan Energy[i]	**Sign-up credit** $99 sign-up credit on the first bill for new customers that were existing First members
Momentum Energy[j]	**Welcome credit** $100 sign-up credit applied to the first bill $200 sign-up credit applied to the first bill
Nectr[e,k]	**Sign-up credit** $50 credit applied to the second bill for new customers when signing up during the promotion period **Refer a friend credit** $50 credit applied to the second bill for new customers, if sign-up was completed using a 'Refer a Friend' link from an existing Nectr customer
Origin Energy[a]	**Account credit** $200 credit applied to the account after sign-up $200 credit applied to the account after 30 June if the account was still active then $200 credit applied to the account after 1 July if the account was still active then
Ovo Energy[a,l]	**Welcome credit** $150 credit applied as a monthly $50 credit for the first 3 months **Interest rewards** Ovo Energy paid 3% interest on credit balances (after all monthly charges were considered), prorated for the number of days since the last bill **Electric vehicle off-peak** 8.0 c/kWh usage charge between 12 am and 6 am 8.4 c/kWh usage charge between 12 am and 6 am **Electric vehicle super off-peak** Free electricity between 11 am and 2 pm every day **'Free 3'** Free electricity between 11 am and 2 pm every day
Powershop[a]	**Sign-up credit** $150 credit applied to the first bill
Red Energy[m]	**Free electricity use period** Between 12 pm and 2 pm Saturday and Sunday, usage charges were waived
Simply Energy[n]	**Sign-up credit** $150 credit applied to the first bill **Welcome credit** $75 credit applied to the first bill **Super off-peak rate discount** 6.0 c/kWh super off-peak discount between 12 am and 6 am

a The incentive was not attached to all market offers.
b The different sign-up credits were attached to different plans. Each plan had some eligibility restriction attached (e.g. the plan was only available to new AGL customers, Westpac customers or customers with a Seniors Card). With some plans, customers had to remain on the plan until 30 June 2024 to be eligible for the credit, which was applied by 10 July 2024.
c The offers were available to new customers who had to be customers of CommBank (CBA) and link their CBA credit card or bank account as their payment method; customers were ineligible to receive any remaining credit months if they cancelled their Amber Electric account, switched their payment method to a non-CBA account, or their CBA card expired. The incentives were listed as discounts on Energy Made Easy.
d The digital gift card (available from 7 to 30 June 2024, and emailed by 30 September 2024 if customers were still with Ampol Energy) was only attached to one of the 2 market offers.
e The incentive was attached to the retailer's only market offer.
f This discount was only mentioned in the contract terms on Energy Made Easy and not listed as an incentive.
g The incentive was attached to all market offers.
h The incentive was attached to one plan only, with an eligibility restriction that the customer had to have an electric vehicle (fully electric or plug-in hybrid).
i The incentive was only attached to 2 plans. The eligibility restrictions stated the plans were for existing First members.

j Each incentive was attached to one plan only. The eligibility restrictions stated the plans were only available to customers who signed up a new supply address.
k Both incentives were included on Energy Made Easy as a discount.
l The welcome credit was valid via Ovo Energy's website, Energy Made Easy and selected third-party sales partners. For some plans, this incentive was included as a discount on Energy Made Easy, rather than an incentive. Some plans had up to 4 incentives attached.
m The incentive was attached to one market offer only. The plan was only available for online sign-ups via Red Energy's website and if the customer was the registered owner of an electric vehicle, which had the same address as the customers electricity supply address.
n The welcome credit was attached to one plan only. The other 2 incentives were both attached to another plan.
Notes: Retailers did not always offer financial incentives during the entire quarter. The same plan may have had different financial and/or non-financial incentives attached at different times, and a few plans had more than one incentive attached at the same time. Various plans had eligibility restrictions attached. Retailers reported incentives as including GST, or we assume them to include GST.
Sources: Energy Made Easy; QCA analysis.

In the June quarter of 2024, 17 of the 25 retailers with residential flat rate market offers attached financial incentives to at least one of their plans. This compares to 11 of the 21 retailers in the June quarter of 2023.[60]

The types of financial incentives attached to residential flat rate market offers in the June quarter of 2024 were similar to those available in the June quarter of 2023, with sign-up and other credits being the most common form of financial incentive. No new types of financial incentives were offered in the June quarter of 2024.

Various plans with incentives attached also had eligibility criteria attached, which could preclude some customers from receiving the incentives. For example, some plans required customers to:

- be a FIRST member
- own an electric vehicle
- have a solar photovoltaic (PV) system
- sign up online.

When customers compare plans and analyse the value of a financial incentive, they need to bear in mind that eligibility criteria and terms and conditions may be attached to accessing the incentive. Moreover, financial incentives are often one-off credits and will not reduce bills permanently.

3.4.3 Non-financial incentives

The non-financial incentives attached to residential flat rate market offers in the June quarter of 2024 (Table 3.3) were similar to those in the other quarters of 2023–24.

Table 3.3: Non-financial incentives – residential flat rate market offers, June quarter 2024

Retailer	Non-financial incentive
AGL[a]	**Velocity points** 3,000 bonus Velocity points 20,000 bonus Velocity points **Netflix** Netflix Standard with ads
Ampol Energy[b]	**Fuel discount** 10c per litre discount for regular and premium fuels when paying via the Ampol app. A maximum of 1,500 litres was claimable annually.
EnergyAustralia[b]	**PowerResponse program rebate** Customers may be eligible for EnergyAustralia's PowerResponse program, and by participating in events, may be eligible for rebates which may change over time

[60] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 33–35.

Retailer	Non-financial incentive
Energy Locals[c]	**Local Rewards** Free 12-month membership to Entertainment (valued at $69.99), which provided access to a range of offers and discounts
ENGIE[d]	**GreenPower** 100% of usage matched with GreenPower, sourced from accredited, renewable electricity sources **Movers guarantee** ENGIE promised to 'make moving easy' for existing and new customers; it guaranteed that 'gas will be on in 3 business days' or customers would get $500 credit back on their first bill **My NRMA membership** Complimentary 12 months 'My NRMA' membership, a National Roads and Motorists' Association (NRMA) program to 'explore new places and experiences, great deals on fuel, shopping, travel, entertainment and more along the way'
GloBird Energy[e]	**Carbon offset** 10% carbon offset 100% carbon offset **Solar feed-in tariff** 11 c/kWh 'generous solar feed-in' credit
Kogan Energy[f]	**Kogan First** Complimentary Kogan First membership for 12 months
Momentum Energy[c]	**GreenPower** 10% of usage offset with renewable energy for free
Nectr[g]	**Carbon offset** 100% carbon neutral included **No move-in fee** Free standard electricity connection when customers move **No credit card fees** No credit card fees attached to the plan
Origin Energy[h]	**Origin Go Zero Electricity** For $1.50 per week, Origin Energy offset the greenhouse gas emissions from the customer's electricity or gas supply through Climate Active **Everyday Rewards points** 2,000 Everyday Rewards points deposited into the Everyday Rewards account within about 45 days from sign-up if customers opted in for Origin Go Zero Electricity Up to 5,000, 10,000 or 15,0000 one-off Everyday Rewards points, about 45 days after the acceptance date, and ongoing one Everyday Rewards point per $1 on the bill **AGA EHA Program membership** Customers received an Emergency Home Assistance (EHA) Program membership provided by Allianz Global Assistance (AGA) for the 12-month energy plan period
Red Energy[i]	**Qantas points** 10,000 bonus Qantas points once Red Energy supplied electricity, and additional 2 Qantas points (for some plans 3 points) per $1 on every bill when paying on time **Contributions to Taronga Conservation Society Australia** $5 contribution for each calendar month from the date Red Energy became responsible for the electricity supply **Contributions to Breast Cancer Network Australia** $5 contribution for each calendar month from the date Red Energy became responsible for the electricity supply **Solar feed-in rates** 'A competitive solar feed-in rate' **Renewable matching promise** Snowy Hydro Limited matched every unit of electricity a customer bought from Red Energy by generating one unit of electricity from a renewable source
Simply Energy[j]	**GreenPower** 100% of usage matched with GreenPower, sourced from accredited, renewable electricity sources

Retailer	Non-financial incentive
	Moving home energy guarantee Promise to have electricity and gas for a customer's new home switched to Simply Energy within 3 business days **My NRMA membership** Complimentary 12 months access to the My NRMA membership program, offering 'exclusive savings on fuel, insurance, travel, entertainment and more'.

a The incentives were only attached to some plans. Each plan had some eligibility restriction attached (e.g. the plan was only available to new AGL customers, existing Velocity members or customers who agreed to receive bills and other account-related communications via email).
b The incentive was attached to all market offers.
c The incentive was only attached to one market offer.
d GreenPower was attached as an incentive to 2 plans, but the green charge field on Energy Made Easy stated for these 2 plans that a daily charge of 14.25 cents would be applied to the bill to participate in the GreenPower accredited program. The other incentives were only attached to one plan each.
e The carbon offset incentive was attached to the GreenLight Residential (Flat Rate) Energex plans (10%) and the GloGreen Residential (Flat Rate) Energex plans (100%). The solar feed-in incentive (GST exempt) was attached to the SolarPlus Residential (Flat Rate) Energex plans (for some plans, the feed-in tariff applied to the first 8 kWh/day only).
f The incentive was attached to 2 plans, which were only available to new First members.
g The incentives were attached to the retailer's only market offer.
h The incentives were attached to some market offers only. Climate Active is a government-backed carbon neutral certification scheme.
i Qantas points were attached to 4 market offers only. Only one plan each had contributions to the Taronga Conservation Society Australia or the Breast Cancer Network Australia attached. Several plans had a 8 c/kWh solar feed-in tariff attached, including those with the 'Great solar feed-in rates' incentive. Two plans included the renewable matching promise.
j GreenPower was attached as an incentive to 2 plans, but the green charge field on Energy Made Easy stated for these 2 plans that a daily charge of 50 cents would be applied to the bill to participate in the GreenPower accredited program. The moving home energy guarantee and the My NRMA membership were attached to one market offer each.
Notes: Retailers did not always offer non-financial incentives during the entire quarter. The same plan may have had different financial and/or non-financial incentives attached at different times, and a few plans had more than one incentive attached at the same time. Various plans had eligibility restrictions attached.
Sources: Energy Made Easy; QCA analysis.

In the June quarter of 2024, 12 of the 25 retailers with residential flat rate market offers attached non-financial incentives to at least one of their plans. This compares to 10 of the 21 retailers in the June quarter of 2023.[61]

The non-financial incentives in the June quarter of 2024 were similar to those in the June quarter of 2023, but we saw several new incentives this year, such as Velocity points, Netflix Standard, a Local Rewards membership and a guarantee that electricity will be promptly connected.

Both the range of non-financial incentives and the number of retailers offering such incentives has increased substantially over time. For instance, nearly half of the retailers attached non-financial incentives to their residential flat rate market offers in the June quarter of 2024, compared to only 4 of the 34 retailers in the June quarter of 2021.[62]

Our observations on eligibility criteria attached to plans with discounts or financial incentives also apply to plans with non-financial incentives. For example, some plans with non-financial incentives attached were only available to customers who:

- signed up through select partner or third-party channels
- were existing Everyday Rewards members
- purchased a solar PV system from the retailer

[61] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 35–36. Ampol Energy's fuel discount was included as a financial incentive last year. However, we have included it as a non-financial incentive this year, as the incentive did not reduce a customer's bill or have a direct cash equivalent. As in previous years, Dodo Power & Gas stated that it may from time to time provide promotional offers (including one-off payments and/or products) through promotional codes, which may be redeemed when signing up. We made the decision last year to stop including this incentive in our analysis, given that the retailer only suggested that there 'may' be such promotional offers.
[62] QCA, *SEQ retail electricity market monitoring 2020–21*, 2021, p 42. We reported that 5 retailers attached non-financial incentives in 2021 – this included Dodo Power & Gas. We no longer include the potential promotional offers of Dodo Power & Gas as a non-financial incentive.

- were a new customer
- were Qantas Frequent Flyer members or Qantas Red business customers who were nominated as a director or authorised person on a Qantas Red business plan who were also an account holder on a Qantas Red residential premises.

While non-financial incentives do not reduce a customer's bill, they can still be of value to the customer and influence the choice of a plan. However, retailers' use of incentives can add complexity for customers when they review and compare plans. As with financial incentives, customers need to bear in mind that eligibility criteria and terms and conditions may be attached to accessing a non-financial incentive, and the incentive may be one-off only.

3.4.4 GreenPower

The GreenPower options attached to residential flat rate market offers in the June quarter of 2024 (Table 3.4) were similar to the options in the other quarters of 2023–24. Retailers generally allowed customers to select a proportion of their electricity usage to be supplied from GreenPower-accredited sources for a fixed price per week or per kilowatt hour on top of their normal bill.

Table 3.4: GreenPower options – residential flat rate market offers, June quarter 2024

Retailer	GreenPower options
AGL	20% GreenPower for $1/week 100% GreenPower for 4.4 c/kWh
Amber Electric	100% GreenPower for 6.58 c/kWh
CovaU	25% GreenPower for 1.1 c/kWh 50% GreenPower for 2.2 c/kWh 100% GreenPower for 4.4 c/kWh
Diamond Energy	50% GreenPower for 2.75 c/kWh 100% GreenPower for 5.5 c/kWh
Dodo Power & Gas[a]	10% GreenPower for 0.99 c/kWh 100% GreenPower for 9.9 c/kWh
EnergyAustralia	10% PureEnergy for 4.95 c x 10% x total usage 20% PureEnergy for 4.95 c x 20% x total usage 100% PureEnergy for 4.95 c/kWh
Energy Locals[b]	10% GreenPower for 0.39 c/kWh or 0.6 c/kWh 50% GreenPower for 1.95 c/kWh or 3.0 c/kWh 100% GreenPower for 3.9 c/kWh or 6.0 c/kWh
ENGIE[c]	100% GreenPower for 14.28 c/day
Momentum Energy[d]	10, 20, 25, 50, 75 or 100% of usage for 4.95 c/kWh
Origin Energy	25% GreenPower for 0.70 c/kWh 50% GreenPower for 1.40 c/kWh 100% GreenPower for 2.80 c/kWh
Ovo Energy	100% GreenPower for 4.95 c/kWh
Pacific Blue Retail[e]	100% GreenPower included in usage charges (0 c/kWh)
Powershop	100% GreenPower for 5.5 c/kWh – customers could purchase as much or as little 100% GreenPower as they liked
ReAmped Energy	25% GreenPower for 1 c/kWh 50% GreenPower for 2 c/kWh 75% GreenPower for 3 c/kWh 100% GreenPower for 4 c/kWh
Red Energy	100% GreenPower for 4.84 c/kWh
Simply Energy[c]	100% GreenPower for 50 c/day

a The retailer stated in the description field on Energy Made Easy for the 10% GreenPower option '$0.099 per kWh' but included a dollar value of '0.0099' in the green charge amount field.
b The lower prices were attached to 2 plans, while the higher prices were only attached to one plan.

c Only 2 plans had a GreenPower option attached.
d Only 3 of the 4 plans had these GreenPower options attached. The fourth plan had '10% Free GreenPower' attached as an incentive, which meant that the retailer offset 10% of the electricity usage and covered the cost.
e Only the Green100 plan had such a GreenPower inclusion attached.
Note: Retailers reported GreenPower prices as being GST inclusive, except for EnergyAustralia, Energy Locals, Origin Energy and Red Energy, which did not indicate the GST status of their GreenPower options.
Sources: Energy Made Easy; QCA analysis.

In the June quarter of 2024, 16 of the 25 retailers had GreenPower options attached to at least one residential flat rate market offers. This is a lower proportion than in the June quarter of 2023 (17 of 21 retailers).[63] ENGIE and Pacific Blue Retail were the only 2 new retailers to offer GreenPower options in the June quarter of 2024.[64] GloBird Energy and Nectr did not offer GreenPower options in the June quarter of 2024 but had done so the year before. Radian Energy did not have any plans published in the June quarter of 2024.

Retailers that attached GreenPower options to their residential flat rate market offers often provided a choice of either 10%, 20%, 25%, 50% or 100% GreenPower. The price of GreenPower varied substantially between the retailers. Charges for 100% GreenPower, for example, ranged from 2.8c/kWh (Origin Energy) to 9.9c/kWh (Dodo Power & Gas) in the June quarter of 2024. Some retailers included 100% GreenPower at no extra cost or charged a set amount per day.

In comparison to the June quarter of 2023, in the June quarter of 2024:

- 10 retailers had the same GreenPower options and prices (AGL, CovaU, Diamond Energy, Dodo Power & Gas, EnergyAustralia, Momentum Energy, Ovo Energy, ReAmped Energy, Red Energy and Simply Energy)
- 1 retailer had a different pricing method for its 25% GreenPower option (Origin Energy – c/kWh rather than a set weekly cost as last year); the other options did not change
- 1 retailer had higher prices for one plan (Energy Locals); the options and other prices were identical in both June quarters
- 2 retailers increased their GreenPower prices (Amber Electric and Powershop)
- None of the retailers lowered their GreenPower prices.

In addition, the following retailers had carbon offset options attached to at least one of their residential flat rate market offers in the June quarter of 2024:

- GloBird Energy's GreenLight and GloGreen (Flat Rate) Energex plans included a 10% and 100% carbon offset, respectively, as an incentive.
- Nectr's 100% Clean plan included 100% carbon neutral as an incentive.
- Origin Energy had various plans available that included – as an incentive – the option for customers to pay $1.50 per week to offset their greenhouse gas emissions through Climate Active – a government-backed carbon neutral certification scheme.
- Powershop's Power Offset plans promised to offset all the carbon emissions associated with the customer's energy usage as part of the contract terms.
- Alinta Energy had a 'Carbon Balance – Single Rate' plan published; however, it did not provide any information on Energy Made Easy whether the plan included carbon offsets or if additional charges were associated with it.

[63] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 37–38.
[64] Both retailers are not technically new. Simply Energy rebranded to ENGIE in April 2024, and Tango Energy Pty Ltd changed its legal name to Pacific Blue Retail Pty Ltd in April 2023. However, both Simply Energy and Tango Energy still had plans available in the June quarter of 2024 too.

3.5 Small business flat rate offers

3.5.1 Discounts

The discounts attached to small business flat rate market offers in the June quarter of 2024 (Table 3.5) were similar to those in the other quarters of 2023–24.[65] Retailers attached either a guaranteed discount or a combination of a pay on time and billing method discount.

Table 3.5: Discounts – small business flat rate market offers, June quarter 2024

Retailer	Guaranteed	Pay on time and billing method
1st Energy	10% off bill[a]	–
Diamond Energy	–	2% off bill[a,b]
EnergyAustralia	4%, 7%, 8% or 11% off bill[c]	–
Next Business Energy	7% or 10% off bill[d]	–

a The discount was attached to the retailer's only market offer.
b Ongoing discount on GST exclusive supply and usage charges with email invoicing and full payment received by due date.
c Each market offer had a discount attached. Discounts applied to GST exclusive charges.
d Only 2 of the 3 market offers had a guaranteed discount attached.
Notes: A dash (–) means the retailer did not attach the discount type to any of its small business flat rate market offers in this quarter. If a retailer had a discount attached, it did not necessarily attach the discount to each small business flat rate market offer or during the entire quarter.
Sources: Energy Made Easy; QCA analysis.

More retailers offered discounts than a year before

In the June quarter of 2024, 4 of the 22 retailers with small business flat rate market offers attached discounts to at least one of their plans. In the June quarter of 2023, 3 of the 15 retailers attached discounts to at least one of their small business flat rate market offers.[66] Diamond Energy and EnergyAustralia offered discounts in both of these quarters. In the June quarter of 2023, Simply Energy offered discounts too, but 1st Energy and Next Business Energy did not have any market offers published.

While more retailers offered discounts than a year before, fewer retailers did so than a few years ago. Changes to the regulation of discounting (discussed in section 3.3) may have influenced retailers' decision to attach discounts – in particular, very high conditional discounts, which were common a few years ago.

Guaranteed discounts remained more common

In the June quarter of 2024, 3 of the 4 retailers with discounts only offered guaranteed discounts – similar to the June quarter of 2023, when 2 of the 3 retailers only offered guaranteed discounts.[67] 1st Energy and Next Business Energy, which did not have any market offers published in the June quarter of 2023, offered guaranteed discounts only.

One retailer combined a pay on time discount with a specific billing method

As in each June quarter since 2020, Diamond Energy was the only retailer to attach a discount combination. A 2% discount off the total bill if customers received bills by email and paid on time

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[65] EnergyAustralia, however, stated that it offered higher discounts in the March and June quarters of 2024 'amid the intense competitive market' (statement by parent company CLP Group, cited in A Macdonald-Smith, 'EnergyAustralia returns profit as prices jump', *Australian Financial Review*, 5 August 2024, viewed 6 August 2024).
[66] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, p 39.
[67] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, p 39.

was offered in the June quarters of 2024 and 2023. The discount value was lower than in the June quarter of 2022, when the discount was 7%.[68]

Discounted plans were available to everyone

Diamond Energy required email invoicing and full payment by due date as a condition of the discount. None of the other plans with discounts had eligibility criteria attached or specific conditions to access the discount.

3.5.2 Financial incentives

The financial incentives attached to small business flat rate market offers in the June quarter of 2024 (Table 3.6) were similar to those in the other quarters of 2023–24.

Table 3.6: Financial incentives – small business flat rate market offers, June quarter 2024

Retailer	Financial incentive
AGL[a]	**Sign-up credit** $250 credit on the first bill
Energy Locals[b]	**Refer a friend credit** $50 credit applied to the existing and the new customer's accounts, if sign-up was completed using a 'Refer a Friend' link from an existing Energy Locals customer.
Origin Energy[c]	**Account credit** $250 credit applied to the account after sign-up $250 credit for new customers or customers who were moving, applied to the account after 1 July 2024 if the plan was still active then
Ovo Energy[d]	**Welcome credit** $150 credit applied as a monthly $50 credit for the first 3 months **Interest rewards** Ovo Energy paid 3% interest on credit balances (after all monthly charges were considered), prorated for the number of days since the last bill.

a The incentive was only attached to some plans. Each plan had some eligibility restriction attached.
b The inventive was attached to both market offers.
c Each incentive was attached to one market offer only.
d The welcome credit was attached to 3 market offers only. It was valid via Ovo Energy's website, Energy Made Easy and selected third-party sales partners. For 2 plans, this incentive was included as a discount on Energy Made Easy, rather than an incentive. The interest rewards were attached to all market offers as an incentive.
Notes: Retailers did not always offer financial incentives during the entire quarter. The same plan may have had different financial and/or non-financial incentives attached at different times, and a few plans had more than one incentive attached at the same time. Retailers reported incentives as including GST, or we assume them to include GST.
Sources: Energy Made Easy; QCA analysis.

In the June quarter of 2024, 4 of the 22 retailers with small business flat rate market offers attached financial incentives to at least one of their plans. This compares to 2 of the 15 retailers in the June quarter of 2023.[69]

The types of financial incentives attached to small business flat rate market offers were similar in both June quarters, with sign-up and other credits being the most common form of financial incentive. A new type of financial incentive offered in the June quarter of 2024 was Ovo Energy's interest rewards, which was previously only attached to residential plans.

[68] QCA, *SEQ retail electricity market monitoring 2021–22*, 2022, p 47.
[69] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, p 40.

Various plans with incentives attached also had eligibility criteria attached, which could preclude some customers from receiving the incentives. For example, some plans required customers to:

- be a new customer or a 'move-in' customer that signed up online
- sign up with an authorised representative of the retailer
- have core operating business hours between 8 am and 6 pm daily.

When customers compare plans and analyse the value of a financial incentive, they need to bear in mind that eligibility criteria and terms and conditions may be attached to accessing the incentive. Moreover, financial incentives are often one-off credits and will not reduce bills permanently.

3.5.3 Non-financial incentives

The non-financial incentives attached to small business flat rate market offers in the June quarter of 2024 (Table 3.7) were similar to those in the other quarters of 2023–24.

Table 3.7: Non-financial incentives – small business flat rate market offers, June quarter 2024

Retailer	Non-financial incentive
Alinta Energy[a]	**Qantas points** 20,000 Qantas points for existing customers (after 90 days) 50,000 Qantas points for new customers (12,500 Qantas points every 3 months) Customers also received ongoing 3 Qantas points per $1 of every fully paid bill
ENGIE[b]	**GreenPower** 100% of usage matched with GreenPower, sourced from accredited, renewable electricity sources
Momentum Energy[b]	**GreenPower** 10% of usage offset with renewable energy for free
Origin Energy[c]	**GreenPower** GreenPower add-on at no additional cost **Origin Go Zero Electricity** For 1.5 c/kWh, Origin Energy offset the greenhouse gas emissions from the customer's electricity or gas supply through Climate Active
Red Energy[d]	**Qantas points** 10,000 bonus Qantas points once Red Energy supplied electricity and an additional 2 Qantas points per $1 on every bill when paying in full 15,000 bonus Qantas points once Red Energy supplied electricity and an additional 3 Qantas points per $1 on every bill when paying in full **Solar feed-in rates** 'A competitive solar feed-in rate'
Simply Energy[e]	**GreenPower** 100% of usage matched with GreenPower, sourced from accredited, renewable electricity sources

a The incentive was attached to 2 plans only. The plans were only available to customers (excluding SOHO customers) with a Qantas Business Rewards membership, an active Australian Business Number (ABN) and an applicable network tariff.
b GreenPower as an incentive was attached to one market offer only. ENGIE stated in the green charge field on Energy Made Easy that a daily charge of $1.50 would be applied to the bill to participate in the GreenPower accredited program.
c GreenPower as an incentive was only attached to one plan. The Origin Go Zero Electricity incentive was attached to all the other plans. Climate Active is a government-backed carbon neutral certification scheme.
d The 2 Qantas points incentive options were attached to 2 plans each. Three plans had the solar feed-in incentive attached (8 c/kWh, rather than the 1 c/kWh attached to the other plans).
e GreenPower as an incentive was attached to one market offer only. However, the green charge field on Energy Made Easy stated that a daily charge of $1.50 would be applied to the bill to participate in the GreenPower accredited program.
Notes: Retailers did not always offer non-financial incentives during the entire quarter. The same plan may have had different financial and/or non-financial incentives attached at different times, and a few plans had more than one incentive attached at the same time. Various plans had eligibility restrictions attached.
Sources: Energy Made Easy; QCA analysis.

In the June quarter of 2024, 6 of the 22 retailers attached non-financial incentives to at least one of their small business flat rate market offers. This compares to 3 of the 15 retailers in the June quarter of 2023.[70] Each of these 3 retailers – Alinta Energy, Momentum Energy and Red Energy – also offered non-financial incentives again in the June quarter of 2024. The non-financial incentives were similar in both June quarters. A new incentive in the June quarter of 2024 was the promise of a competitive solar feed-in tariff.

Customers need to be mindful that eligibility criteria and terms and conditions may be attached to accessing a non-financial incentive. For example, some plans were only available to customers who:

- had a Qantas Business Rewards membership and had an ABN on their energy account that matched the ABN registered to their Qantas Business Rewards membership
- purchased a solar PV system from the retailer
- were new customers.

While non-financial incentives do not reduce a customer's bill, they can still be of value to the customer and influence the choice of a plan. However, retailers' use of incentives can add complexity and make it difficult for customers to review and compare plans.

3.5.4 GreenPower

The GreenPower options attached to small business flat rate market offers in the June quarter of 2024 (Table 3.8) were similar to the options in the other quarters of 2023–24. Retailers generally allowed customers to select a proportion of their electricity usage to be supplied from GreenPower-accredited sources for a fixed price per week or per kilowatt hour on top of their normal bill.

Table 3.8: GreenPower options – small business flat rate market offers, June quarter 2024

Retailer	GreenPower options
AGL	20% GreenPower for 0.88 c/kWh 100% GreenPower for 4.4 c/kWh
Amber Electric	100% GreenPower for 6.58 c/kWh
CovaU	25% GreenPower for 1.1 c/kWh 50% GreenPower for 2.2 c/kWh 100% GreenPower for 4.4 c/kWh
Diamond Energy	50% GreenPower for 2.75 c/kWh 100% GreenPower for 5.5 c/kWh
EnergyAustralia	10% PureEnergy for 4.95 c x 10% x total usage 25% PureEnergy for 4.95 c x 25% x total usage 100% PureEnergy for 4.95 c/kWh
Energy Locals	10% GreenPower for 0.39 c/kWh 50% GreenPower for 1.95 c/kWh 100% GreenPower for 3.9 c/kWh
ENGIE[a]	100% GreenPower for $1.50/day
Momentum Energy[b]	10, 20, 25, 50, 75 or 100% of usage for 4.95 c/kWh
Origin Energy[c]	25% GreenPower for 0.70 c/kWh (0.88 c/kWh) 50% GreenPower for 1.40 c/kWh (1.75 c/kWh) 100% GreenPower for 2.80 c/kWh (3.50 c/kWh)
Ovo Energy	100% GreenPower for 4.95 c/kWh
Powershop	100% GreenPower for 5.5 c/kWh – customers could purchase as much or as little 100% GreenPower as they liked
ReAmped Energy	25% GreenPower for 1 c/kWh 50% GreenPower for 2 c/kWh

[70] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 35-36.

Retailer	GreenPower options
	75% GreenPower for 3 c/kWh 100% GreenPower for 4 c/kWh
Red Energy	100% GreenPower for 4.84 c/kWh
Simply Energy[a]	100% GreenPower for $1.50/day

a Only 1 of the 2 plans had a GreenPower option attached.
b These GreenPower options were attached to 2 of the 3 plans. The third plan had '10% Free GreenPower' attached as an incentive, which meant that the retailer offset 10% of the electricity usage and covered the cost.
c All market offers had GreenPower options attached, except for the Greener for Business Member Energy Plan, which had GreenPower attached as an incentive, whereby customers received the 'GreenPower add-on' at no additional cost. This plan was only available to customers who were a 'Greener for Business member'. The higher GreenPower charge was attached to the Origin Business Go Solar Variable plan.
Note: Retailers reported GreenPower prices as including GST, except for EnergyAustralia, Energy Locals, Origin Energy and Red Energy, which did not indicate the GST status of their GreenPower options.
Sources: Energy Made Easy; QCA analysis.

In the June quarter of 2024, 14 of the 22 retailers had GreenPower options attached to at least one of their small business flat rate market offers. This is a lower proportion than in the June quarter of 2023 (12 of 15 retailers).[71] ENGIE and Ovo Energy were the only 2 new retailers to offer GreenPower options in the June quarter of 2024.[72] All the retailers that offered GreenPower options in the June quarter of 2023 also did so in the June quarter of 2024.

Retailers that attached GreenPower options to their small business flat rate market offers often provided a choice of either 10%, 20%, 25%, 50% or 100% GreenPower. The price of GreenPower varied substantially between the retailers. Charges for 100% GreenPower, for example, ranged from 2.80 c/kWh (Origin Energy) to 6.58 c/kWh (Amber Electric). ENGIE and Simply Energy charged a set amount per day ($1.50 for 100% GreenPower).

In comparison to the June quarter of 2023, in the June quarter of 2024:

- 9 retailers had the same GreenPower options and prices (AGL, CovaU, Diamond Energy, Energy Australia, Energy Locals, Momentum Energy, ReAmped Energy, Red Energy and Simply Energy)
- 2 retailers increased their GreenPower prices (Amber Electric and Powershop)
- 1 retailer had higher prices for one plan (Origin Energy); the other options and prices were identical in both June quarters
- none of the retailers lowered their GreenPower prices.

In addition, some retailers had carbon offset options attached to at least one of their small business flat rate market offers in the June quarter of 2024:

- Origin Energy attached a 'Origin Go Zero Electricity' incentive to most of its plans that gave customers the option to pay 1.5 c/kWh to offset their greenhouse gas emissions through Climate Active – a government-backed carbon neutral certification scheme.
- Powershop's Power Offset plans promised to offset all the carbon emissions associated with the customer's energy usage as part of the contract terms.
- EnergyAustralia had 2 plans available called 'Business Carbon Neutral Flexi Plan', and 2 of Alinta Energy's plans had 'Carbon Balance' in their names; however, the retailers did not provide any information on Energy Made Easy about whether the plans included carbon offsets or if additional charges were associated with them.

[71] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 42–43.
[72] Simply Energy rebranded to ENGIE in April 2024, and as such it is not – strictly speaking – a new retailer. We note that Simply Energy still had plans published in the June quarter of 2024 under its former name.

3.6 Complexity due to discounts and incentives

When comparing different plans, customers have to consider not only the supply and usage charges of those plans but also the discounts, incentives and GreenPower options attached to the plans. Customers need to keep in mind that:

- many financial incentives are only one-off
- non-financial incentives do not reduce the bill but may still add value
- some discounts are conditional on a particular action or behaviour
- some 'generally available' plans have eligibility criteria attached that preclude some customers from accessing them.

Following the changes to the legal framework for discounting, we have seen a shift from conditional to guaranteed discounts. We have also observed that plans with discounts attached have become less prevalent in SEQ over the past few years. We are of the view that these developments make it easier for customers to compare plans. However, over the same period, more retailers have started to attach incentives to their plans, which customers need to evaluate when they compare plans.

3.7 Key considerations for customers

Discounts and financial incentives can lower customers' electricity bills. However, customers should consider the following key points:

- Eligibility criteria and/or terms and conditions may be attached to accessing a discount or incentive, or the plan itself. It is therefore advisable to always carefully check the details of each plan. Customers could risk forfeiting the discount or incentive if they do not meet any of the conditions or criteria, or they may not even be eligible for the plan.
- Eligibility criteria can be similar in nature to a conditional discount. However, a plan with eligibility criteria attached may provide more certainty for customers that they will receive the financial benefits and pay what they expect than a plan with a conditional discount attached.
- Financial incentives are often one-off credits or bonuses and will therefore only reduce the bill once. Customers should therefore also carefully check the supply and usage charges of a plan. Over the longer term, a plan with a financial incentive attached could result in higher bills.
- Non-financial incentives do not reduce the bill value, but they may still be of value to the customer and are worth considering when selecting a new plan. As with financial incentives, customers need to bear in mind that eligibility criteria and terms and conditions may be attached to accessing a non-financial incentive and that the incentive may expire or be one-off.
- The changes to the regulation of discounting provide important consumer protections. However, customers need to keep in mind that the percentage indications in retailers' advertisements ('x% less than the reference price') are not discount percentages, but a comparison between the annual bill for that plan (based on the model annual usage set by the AER) and the DMO reference bill. A customer's actual savings will depend on their individual consumption and may therefore substantially differ from the value of savings suggested by the DMO reference bill comparison. This is particularly relevant for small business customers, whose consumption levels are more diverse than that of residential customers.
- A plan with discounts or incentives attached does not always result in a lower bill. Such a plan could have higher supply and/or usage charges than a plan with no discounts or incentives attached. Customers should keep in mind that the supply and usage charges generally differ from retailer to retailer, and often even between different plans of the same retailer.

4 Fees and charges

Key findings

We assessed the fees and charges attached to residential and/or small business plans in the June quarter of 2024 and compared them to those in the June quarter of 2023. We found:

- Most retailers attached retail fees to at least one of their market offers in the June quarters of 2023 and 2024. The types of retail fees attached to market offers were similar in both June quarters. These included fees for payment processing, paper bills, dishonoured or late payments, membership and account establishment. No retailer attached exit fees. For most of the fee types, the range of the fees was similar in both June quarters.
- Some standing offers on Energy Made Easy had fees attached that retailers are not allowed to charge standing offer customers in SEQ. However, the respective retailers confirmed that no standing offer customers had been charged such fees.
- Not all retailers provided information on metering charges, and only very few retailers disclosed how they treat/charge costs related to advanced digital metering.
- Retailers generally attached some distribution non-network charges to their plans, including fees for reconnection and disconnection services.
- As in previous years, fee information on Energy Made Easy was not always clear, and some retailers:
  - only stated for some fees whether or not they included or excluded GST, while other retailers did not include any information about GST at all for their fees
  - noted that fees 'may' apply
  - referred to the potential for fees and charges – other than those listed on Energy Made Easy – to be levied on customers.

  These issues make it more challenging for customers to compare plans.

4.1 QCA methodology

Electricity plans can include various one-off or recurring fees, including payment processing fees, paper bill fees, dishonoured payment fees, membership fees, late payment fees, account establishment fees and exit fees.[73] Retailers may also pass through to customers certain fees or charges levied by distributors, such as metering charges; connection, disconnection and reconnection fees; special meter reading fees; and meter inspection fees.[74]

[73] Section 2(d) of the direction refers to 'joining and early termination charges'. In this chapter, we describe these fees as 'account establishment fees' and 'exit fees' to align with the terminology used on Energy Made Easy.
[74] These fees are also referred to as distribution non-network charges (see section 4.8). Also see Electricity Regulation, section 226 and schedule 8; Energex, *Energex Network Tariff Guide, 1 July 2023 to 30 June 2024*, 2023.

We primarily rely on data published on Energy Made Easy. Retailers are required to provide the 'key fees' applicable to retail electricity plans on Energy Made Easy. A key fee is a fee that will be incurred by all or a significant portion of customers.[75]

Our analysis focuses on the types of fees and charges attached to residential and small business flat rate offers in the June quarter. This is consistent with our approach in previous years. Data on Energy Made Easy showed that – as in previous years – the type and value of fees and charges for each retailer did not vary substantially across the 4 quarters of 2023–24, between the 3 residential tariffs and tariff combinations, or between the 2 small business tariffs.

4.2 Restrictions on fees for standing offer customers

When the National Energy Customer Framework (NECF) was introduced in Queensland on 1 July 2015, Queensland-specific 'derogations' were added to the framework, including a restriction on fee types that can be charged to standing offer customers. Under section 22A of the National Energy Retail Law (NERL), standing offer customers in Queensland can only be charged 3 fee types:

- historical billing data fee for data that is more than 2 years old, if requested by a customer
- a retailer's administration fee for a dishonoured payment
- financial institution fee for a dishonoured payment.[76]

We have written to each retailer that is operating in the SEQ retail electricity market to inform them of their obligations under the NECF. In addition, we regularly check if any standing offers published on Energy Made Easy have fees attached that retailers are not allowed to charge customers in Queensland. However, simply attaching fees other than those allowed to standing offers published on Energy Made Easy does not constitute a breach of section 22A.

Whenever we identify standing offers that have prohibited fees attached, we contact the respective retailer(s) to enquire if any standing offer customers have in fact been charged such fees. If that is the case, the retailer has breached section 22A of the NERL and is expected to inform the QCA within 2 business days of its breach. With every breach of section 22A of the NERL, we undertake compliance actions to ensure the matter is rectified in the interests of consumers.

4.3 Limitation of fee amounts

Conditional fees are restricted to the 'reasonable costs' a retailer is likely to incur when payment conditions are not met.[77] The AEMC considered that a guideline for reasonable cost levels was not required, as 'reasonable costs' was a 'widely used and understood concept'. The AEMC therefore adopted a principles-based approach that provides flexibility to the AER in enforcing the rule on a case-by-case basis, and to retailers in complying with the rule.[78]

In addition, the *Competition and Consumer Act 2010* (Cth) Part IVC may prevent retailers from levying excessive credit or debit card payment processing fees. The ACCC has clarified that a payment surcharge is excessive and in breach of the law if it exceeds the costs to the business of

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[75] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, p 10, clauses 43 and 47. Examples of key fees include account establishment fees, annual membership fees, late payment fees, payment processing fees and metering fees.

[76] Section 22A specifies that retailers' standing offer prices 'may comprise only fees and charges of types that were the subject of the notified prices for the financial year immediately preceding the day the price determination no longer applies'. These 3 fee types are the fees that were included in the QCA's price determination for 2015–16 (National Energy Retail Law, section 22A; Queensland Government, *Gazette: Extraordinary* [vol 369, no 36], 19 June 2015, p 190).

[77] Division 7A (Customer retail contracts – conditional fees) in the NERR contains the relevant rule 52B (AEMC, *National Energy Retail Amendment (Regulating conditional discounting) Rule 2020 No 1* [final rule], 2020, schedule 1).

[78] AEMC, *National Energy Retail Amendment (Regulating conditional discounting) Rule* [final determination], 2020, pp ii, 36, 39.

processing the payment. We note that the ACCC has issued several infringement notices for excessive payment surcharges in recent years.

4.4 Charging for paper bills

The AER's Better Bills Guideline provides guidance to retailers on preparing and issuing bills.[79] When the guideline was developed, the issue of customers having access to paper bills free of charge was considered. Stakeholders noted that paper bills are the preferred – and sometimes the only – way to receive bills and to manage payments and energy usage for many people in the community, including people on low incomes, people in vulnerable situations and older people.[80]

While the AER was not given the power to require retailers to provide paper bills for all market offers, it encourages retailers – as a matter of best practice – to offer paper bills for all retail contracts, so that customers who cannot, or choose not to, communicate through online channels, are not excluded from accessing competitively priced plans.[81]

4.5 Retail fees – residential flat rate offers

4.5.1 Market offers

Residential flat rate market offers available on Energy Made Easy in the June quarter of 2024 included the following retail fees, as shown in Table 4.1:

- credit and debit card payment processing fees
- processing fees for payments made by BPay or over the counter at Australia Post
- dishonoured cheque and direct debit payment fees ('dishonour payment fees')
- paper bill fees
- late payment fees
- membership fees
- account establishment fees.

[79] AER, *Better Bills Guideline*, 2022; AER, *Notice of Instrument: Better Bills Guideline*, 2022, p 48.
[80] Public Interest Advocacy Centre (PIAC), submission to the AER, *Draft Better Bills Guideline*, 27 January 2022, p 5.
[81] AEMC, *Bill contents and billing requirements* [rule determination], 2021, pp 24–25; AER, submission to the AEMC, *National Energy Retail Amendment (Bill contents and billing requirements) Rule* [draft determination], 5 February 2021, pp 3–4; AER, *AER Strategic Plan 2020–2025*, 2020, p 10. We note that some retailers still attached specific eligibility criteria to their plans in 2023–24 – such as customers agreeing to receive bills by email – that effectively prevented certain customers from accessing those plans as they could not (or did not want to) receive bills electronically.

Table 4.1: Retail fees – residential flat rate market offers, June quarter 2024

Retailer	Card payment processing fee			Other payment processing fee		Dishonour payment fee		Paper bill fee	Late payment fee	Membership fee (per year)	Account establishment fee
	Credit / debit card – general	Visa / Mastercard	Amex / Diners Club	BPay	Australia Post over the counter	Cheque	Direct debit				
1st Energy	–	–	–	–	–	$15.00	$7.50	–	–	–	–
AGL	–	0.14% / 0.30% [a] 0.65% / 0.78% [b]	–	–	0.49% / $3.20 [c]	–	–	$1.75	$12.00	–	–
Amber Electric	1.00%	–	–	–	–	–	$11.00	–	$16.00	$228.00	–
Ampol Energy	–	0.20% / 0.23% [d] 0.37% / 0.54% [e]	0.80% [f]	–	0.76% / $3.30 [f]	–	–	$1.65	–	–	–
CovaU	0.73%	–	–	–	0.803%	$9.50	$9.50	–	–	–	–
Diamond Energy	–	0.60%	–	–	–	$20.00	$10.00	–	$15.00	–	$22.00
Dodo Power & Gas	–	–	2.89%	$2.50	$2.20	–	$9.50	$2.20	–	–	–
Energy Locals	–	0.46% / 0.81% [g]	0.81% [g]	–	–	–	$10.00	$2.00	$16.00	$233.88 / $167.88	–
EnergyAustralia	–	0.36%	1.50%	–	–	–	–	$1.69	$12.00	–	–
ENGIE	–	0.36% / 0.42% [h]	–	–	$2.50	–	–	$1.65	$12.00	–	–
Future X Power	–	–	–	–	–	$15.00	$15.00	–	–	–	–
Momentum Energy	0.53%	–	–	–	–	–	–	–	–	–	–
Origin Energy	–	0.24% / 0.28% [i] 0.56% / 0.64% [j]	–	–	0.49% / $2.70 [k]	–	–	$1.75	$12.00	–	–
Pacific Blue Retail	0.75% [l]	0.60% [l]	0.75% [l]	–	–	$7.50	$7.50	$3.30	–	–	–
ReAmped Energy	1.00%	–	–	–	–	–	–	–	–	–	–
Simply Energy	–	0.36% / 0.42% [m]	–	–	$2.50	–	–	$1.65	$12.00	–	–
Sumo Power	0.70% [n]	–	–	–	$2.00	$2.75 [n]		$3.10	–	–	–
Tango Energy	0.75% [o]	0.60% [o]	0.75% [o]	–	–	$7.50	$7.50	$3.30	–	–	–

a Visa debit card payment fee (0.14%), Mastercard debit card payment fee (0.30%).
b Visa credit card payment fee (0.65%), Mastercard credit card payment fee (0.78%).
c Fee for card payments made at Australia Post outlets (0.49%); an over the counter fee may apply for payments made at an Australia Post outlet ($3.20).
d Mastercard debit card payment fee (0.20%), Visa debit card payment fee (0.23%).
e Mastercard credit card payment fee (0.37%), Visa credit card payment fee (0.54%).
f Credit card fee (0.80%) for Amex credit card payments only; fee for card payments made in person at Australia Post outlets (0.76%) in addition to the over-the-counter transaction fee ($3.30).
g Visa, Mastercard and Amex payments via the Westpac payment portal at energylocals.com.au/pay-by-card had a credit card processing fee (0.81%) or a debit card processing fee (0.46%). Processing fees for payments made via direct debit using a credit or debit card were waived.
h Visa credit card payment fee (0.42%), Mastercard credit card payment fee (0.36%).
i Visa debit card payment fee (0.24%), Mastercard debit card payment fee (0.28%).
j Visa credit card payment fee (0.56%), Mastercard credit card payment fee (0.64%).
k Although the fee description field stated that a payment processing fee of the higher of $2.70 or 0.49% 'may apply' if a payment was made at an Australia Post outlet, the fee percentage was included as zero.
l A fee of 0.75% applied to Amex or any other payment, and 0.60% applied to MasterCard or Visa, where a merchant services fee was incurred. Processing fees for payments made via direct debit using a credit or debit card were waived.
m Visa (0.42%) or Mastercard (0.36%) credit card payment fee may be charged in all channels (other than direct debit).
n The card payment fee only applied to credit card payments. The $2.75 fee was coded as an 'other fee' on Energy Made Easy, while other retailers generally coded their dishonour payment fees as either a fee for dishonoured cheque or dishonoured direct debit payments.
o A fee of 0.75% applied to Amex or any other payment, and 0.60% applied to MasterCard or Visa, where a merchant services fee was incurred. Processing fees for payments made via direct debit using a credit or debit card were waived.

Notes: Amex stands for American Express. A dash (–) means the retailer did not attach the fee type to any of its residential flat rate market offers available on Energy Made Easy in the June quarter. Fees and charges listed did not necessarily apply to all plans published by the retailers.
Sources: Energy Made Easy; QCA analysis.

General observations

All retailers either stated on Energy Made Easy that they reserved the right to charge or impose additional fees and charges, or provided links to their website and/or a phone number for more information on fees.

In the June quarter of 2024, 18 of the 25 retailers with residential flat rate market offers attached retail fees to at least one of their plans. This compares to 14 of the 21 retailers in the June quarter of 2023.[82] Most of the retail fee types and levels were the same, or similar, in both June quarters.

The 7 retailers that did not attach retail fee information to any of their residential flat rate market offers in the June quarter of 2024 were – as in the June quarter of 2023 – Alinta Energy, GloBird Energy, Kogan Energy, Nectr, Ovo Energy, Powershop and Red Energy.

Card payment processing fees

We identified 16 retailers that attached card payment processing fees to at least one of their residential flat rate market offers in the June quarter of 2024.

Payment processing fees on credit card payments ranged from 0.36% (Visa and Mastercard) to 2.89% (Amex and Diners Club) in the June quarter of 2024. The range of credit card fees remained unchanged from the June quarter of 2023 (0.36% to 2.89%).

Payment processing fees on debit card payments ranged from 0.14% (Visa) to 1.00% (any debit card) in the June quarter of 2024. The range of debit card fees remained unchanged from the June quarter of 2023 (0.14% to 1.00%).

Other payment processing fees

We identified 8 retailers that attached BPay and/or Australia Post payment processing fees to at least one of their residential flat rate market offers in the June quarter of 2024. The fees and their level were largely identical to those attached in the June quarter of 2023.[83] However, no cheque payment processing fees were attached in the June quarter of 2024.

Dishonour payment fees

We identified 10 retailers that attached dishonour payment fees to at least one of their residential flat rate market offers in the June quarter of 2024.

Fees for dishonoured cheque payments ranged from $7.50 to $20, and fees for dishonoured direct debit payments ranged from $7.50 to $15 in the June quarter of 2024. The range of dishonour payment fees was larger than in the June quarter of 2023 ($9.50 to $20 for dishonoured cheque payments and $5 to $11 for dishonoured direct debit payments).

Pacific Blue Retail and Tango Energy stated that a fee would apply to not only dishonoured or reversed direct debit or cheque payments but also to dishonoured credit card payments.

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[82] For more detail on the fees attached to residential flat rate market offers in the June quarter of 2023, see QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 48–51.

[83] As in the June quarter of 2023, Origin Energy stated on each plan that a payment processing fee may apply to payments at an Australia Post outlet of the higher of $2.70 or 0.49%, but it did not indicate which payment methods the fee applied to. While the fee amount field on Energy Made Easy correctly stated the amount as $2.70, the fee percentage was included as zero. EnergyAustralia stated in the additional fee information field on Energy Made Easy for all plans that payment processing fees could be avoided by paying from a bank account using direct debit or BPay, like it did for most plans in the June quarter of 2023.

Paper bill fees

We identified 11 retailers that attached paper bill fees to at least one of their residential flat rate market offers in the June quarter of 2024, ranging from $1.65 to $3.30. The range of fees was slightly larger than in the June quarter of 2023 ($1.65 to $3.10).

Late payment fees

We identified 8 retailers that attached late payment fees to at least one of their residential flat rate market offers in the June quarter of 2024, ranging from $12 to $16, with most retailers (5 out of 8) attaching a fee of $12. The range of fees was identical in the June quarter of 2023 ($12 to $16).

Three retailers attached both a late payment fee and a pay on time discount (Diamond Energy, ENGIE and Simply Energy). One retailer (GloBird Energy) did not attach a late payment fee but attached pay on time discounts to most of its residential flat rate market offers, which provided an incentive to customers to pay on time.[84]

Membership fees

Both retailers that attached membership fees in the June quarter of 2023 attached higher membership fees in the June quarter of 2024:

- Amber Electric attached a membership fee of $228 ($19/month) to each plan to access wholesale rates (up from $180 ($15/month) in the June quarter of 2023).
- Energy Locals attached a membership fee of $168 ($13.99/month; 2 market offers) or $234 ($19.49/month; 1 market offer) to access wholesale energy rates (up from $159 ($12.99/month; 2 market offers) or $216 ($17.99/month; 1 market offer) in the June quarter of 2023).

Account establishment fees

Diamond Energy was the only retailer to attach an account establishment fee to its market offer in the June quarter 2024. The fee ($22, unchanged from the June quarter of 2023) was payable upon transfer from another retailer.

Exit fees

No retailers have attached exit fees to their residential flat rate market offers since the June quarter of 2019. As in previous years, some retailers explicitly stated in the June quarter of 2024 on Energy Made Easy for all or most of their plans that they did not have any exit fees attached (Amber Electric, Energy Locals, Kogan Energy, Pacific Blue Retail and Powershop).

[84] Pay on time discounts in the June quarter of 2024 are outlined in chapter 3 (section 3.4.1).

4.5.2 Standing offers

In the June quarter of 2024, 9 of the 21 retailers with residential flat rate standing offers attached retail fees to at least one of their plans (Table 4.2). This compares to 10 of the 24 retailers in the June quarter of 2023.[85]

Table 4.2: Retail fees – residential flat rate standing offers, June quarter 2024

Retailer	Dishonour payment fee		Card payment processing fee
	Cheque	Direct debit	
1st Energy	$15.00	$7.50	–
Amber Electric	–	$11.00	1.00% [a]
CovaU	$9.50	$9.50	–
Diamond Energy	–	$10.00	–
Dodo Power & Gas	–	$9.50	–
Energy Locals	–	$10.00	–
ENGIE	–	–	0.42% / 0.36% [b]
Future X Power	$15.00	$15.00	–
Sumo Power	$2.75 [c]		–

a Fee for payments made by credit or debit card.
b A Visa (0.42%) or Mastercard (0.36%) credit card payment fee may be changed in all channels (other than direct debit).
c Sumo Power did not specify whether this fee applied to cheque, debit or both payment types. As in the June quarter of 2023, the fee was coded as an 'other fee' on Energy Made Easy, while other retailers generally coded their dishonour payment fees as either a fee for dishonoured cheque or dishonoured direct debit payments.
Note: Fees and charges listed did not necessarily apply to all plans published by the retailers.
Sources: Energy Made Easy; QCA analysis.

Of the 9 retailers with fees attached to at least one of their residential flat rate standing offers, 8 retailers attached dishonour payment fees in the June quarter of 2024, which ranged from:

- $9.50 to $15.00 for dishonoured cheque payments
- $7.50 to $15.00 for dishonoured direct debit payments.

The observed range of fees was smaller than last year for both dishonoured cheque payments ($7.50 to $15.00) and dishonoured direct debit payments ($2.50 to $11.00).

The standing offers of Amber Electric and ENGIE included card payment processing fees, which are not allowed to be charged to standing offer customers in Queensland. We checked with both retailers if any standing offer customers had been charged prohibited fees. Both retailers promptly replied to our enquiry and advised that they had not charged any of these fees.

We consider that the additional fee information on the following 3 retailers' standing offers on Energy Made Easy does not align with the restriction on the fee types that can be attached to standing offers in Queensland:

- EnergyAustralia stated that customers could avoid payment processing fees by paying from their bank account using direct debit or BPay.
- Alinta Energy and Ovo Energy stated that they reserved the right to change or impose additional fees or charges; if that happened, they would notify customers.

[85] For more detail on the fees attached to residential flat rate standing offers in the June quarter of 2023, see QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 52-53.

4.6 Retail fees – small business flat rate offers

4.6.1 Market offers

Small business flat rate market offers available on Energy Made Easy in the June quarter of 2024 included the following retail fees, as shown in Table 4.3:

- credit and debit card payment processing fees
- processing fees for payments made over the counter at Australia Post
- dishonoured cheque and direct debit payment fees ('dishonour payment fees')
- paper bill fees
- late payment fees
- membership fees
- account establishment fees
- metering fees.

Table 4.3: Retail fees – small business flat rate market offers, June quarter 2024

Retailer	Card payment processing fee			Other payment processing fee	Dishonour payment fee		Paper bill fee	Late payment fee	Member-ship fee (per year)	Account establish-ment fee	Metering fee
	Credit / debit card – general	Visa / Mastercard	Amex / Diners Club	Australia Post over the counter	Cheque	Direct debit					
1st Energy	–	–	–	–	$15.00	$7.50	–	–	–	–	–
AGL	–	0.14% / 0.30% [a] 0.65% / 0.78% [b]	–	0.49% / $3.20 [c]	–	–	$1.75	$12.00	–	–	–
Amber Electric	1.00%	–	–	–	–	$11.00	–	$16.00	$228.00	–	–
Blue NRG	–	0.97%	1.39%	–	–	$11.98	$5.50	–	–	–	$0.66 to $2.893
CovaU	0.73%	–	–	0.803% [d]	$9.50	$9.50	–	–	–	–	–
Diamond Energy	–	0.60%	–	–	$20.00	$10.00	–	$15.00	–	$22.00	–
Energy Locals	–	0.46% / 0.81% [e]	0.81% [e]	–	–	$10.00	$2.00	$16.00	$389.88	–	–
EnergyAustralia	–	0.36%	1.50%	–	–	–	–	$12.00	–	–	–
ENGIE	–	0.36% / 0.42% [f]	–	$2.50	–	–	$1.65	$12.00	–	–	–
Future X Power	–	–	–	–	$15.00	$15.00	–	–	–	–	–
Momentum Energy	0.53%	–	–	–	–	–	–	–	–	–	$2.984
Next Business Energy	–	0.77%	1.95%	–	–	–	–	–	–	–	$22 / $77
Origin Energy	–	0.24% / 0.28% [g] 0.56% / 0.64% [h]	–	0.49% / $2.70 [i]	–	–	$1.75	$12.00	–	–	–
Pacific Blue Retail	0.75% [j]	0.60% [j]	0.75% [j]	–	$7.50	$7.50	$3.30	–	–	–	–
ReAmped Energy	1.00%	–	–	–	–	–	–	$12.00	–	–	–
Simply Energy	–	0.36% / 0.42% [k]	–	$2.50	–	–	$1.65	$12.00	–	–	–
Sumo Power	0.70% [l]	–	–	$2.00	$2.75 [l]		$3.10	–	–	–	–
Tango Energy	0.75% [m]	0.60% [m]	0.75% [m]	–	$7.50	$7.50	$3.30	–	–	–	–

a Visa debit card payment fee (0.14%), Mastercard debit card payment fee (0.30%).
b Visa credit card payment fee (0.65%), Mastercard credit card payment fee (0.78%).
c Fee for card payments made at Australia Post outlets (0.49%); an over the counter fee may apply for payments made at an Australia Post outlet ($3.20).
d Applied to credit card payments via Australia Post.
e Visa, Mastercard and Amex payments via the Westpac payment portal at energylocals.com.au/pay-by-card had a credit card processing fee (0.81%) or a debit card processing fee (0.46%). Processing fees for payments made via direct debit using a credit or debit card were waived.
f Visa credit card payment fee (0.42%), Mastercard credit card payment fee (0.36%).
g Visa debit card payment fee (0.24%), Mastercard debit card payment fee (0.28%).
h Visa credit card payment fee (0.56%), Mastercard credit card payment fee (0.64%).
i Although the fee description field stated that a payment processing fee of the higher of $2.70 or 0.49% 'may apply' if a payment was made at an Australia Post outlet, the fee percentage was included as zero.
j A fee of 0.75% applied to Amex or any other payment, and 0.60% applied to MasterCard or Visa, where a merchant services fee was incurred. Processing fees for payments made via direct debit using a credit or debit card were waived.
k Visa (0.42%) or Mastercard (0.36%) credit card payment fee may be charged in all channels (other than direct debit.
l The card payment fee only applied to credit card payments. The $2.75 fee was coded as an 'other fee' on Energy Made Easy, while other retailers generally coded their dishonour payment fees as either a fee for dishonoured cheque or dishonoured direct debit payments.
m A fee of 0.75% applied to Amex or any other payment, and 0.60% applied to MasterCard or Visa, where a merchant services fee was incurred. Processing fees for payments made via direct debit using a credit or debit card were waived.

Notes: Amex stands for American Express. A dash (–) means the retailer did not attach the fee type to any of its small business flat rate market offers available on Energy Made Easy in the June quarter. Fees and charges listed did not necessarily apply to all plans published by the retailers.
Sources: Energy Made Easy; QCA analysis.

General observations

All retailers either stated on Energy Made Easy that they reserved the right to charge or impose additional fees and charges, or provided links to their website and/or a phone number for more information on fees.

In the June quarter of 2024, 18 of the 22 retailers with small business flat rate market offers attached retail fees to at least one of their plans. This compares to 12 of the 15 retailers in the June quarter of 2023.[86] Most of the retail fee types and levels were the same, or similar, in both June quarters.

The 4 retailers that did not attach retail fees to any of their small business flat rate market offers in the June quarter of 2024 were Alinta Energy, Powershop and Red Energy – as in the June quarter of 2023 – and Ovo Energy.

Card payment processing fees

We identified 16 retailers that attached card payment processing fees to at least one of their small business flat rate market offers in the June quarter of 2024.

Payment processing fees on credit card payments ranged from 0.36% (Visa and Mastercard) to 1.95% (Amex) in the June quarter of 2024. The range of credit card payment fees was larger than in the June quarter of 2023 (0.36% to 1.50%).

Payment processing fees on debit card payments ranged from 0.14% (Visa) to 1.00% (any debit card) in the June quarter of 2024. The range of debit card payment fees was identical to the June quarter of 2023 (0.14% to 1.00%).

Other payment processing fees

We identified 6 retailers that attached other payment processing fees to at least one of their small business flat rate market offers in the June quarter of 2024.[87] The fees and their level were largely identical to those attached in the June quarter of 2023. However, no BPay or cheque payment processing fees were attached in the June quarter of 2024.

Dishonour payment fees

We identified10 retailers that attached dishonour payment fees to at least one of their small business flat rate market offers in the June quarter of 2024.

Fees for dishonoured cheque payments ranged from $7.50 to $20, and fees for dishonoured direct debit payments ranged from $7.50 to $15 in the June quarter of 2024. The range of dishonour fees was larger than in the June quarter of 2023 ($9.50 to $20 for dishonoured cheque payments, and $9 to $11.97 for dishonoured direct debit payments).

Pacific Blue Retail and Tango Energy stated that a fee would apply to not only dishonoured or reversed direct debit or cheque payments but also to dishonoured credit card payments.

[86] For more detail on the fees attached to small business flat rate market offers in the June quarter of 2023, see QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 53–56.

[87] As in the June quarter of 2023, Origin Energy stated on each plan that a payment processing fee may apply to payments at an Australia Post outlet of the higher of $2.70 or 0.49%, but it did not indicate which payment methods the fee applied to. While the fee amount field on Energy Made Easy correctly stated the amount as $2.70, the fee percentage was included as zero.

Paper bill fees

We identified 9 retailers that attached paper bill fees to at least one of their small business flat rate market offers in the June quarter of 2024, ranging from $1.65 to $5.50. The range of fees was identical to that in the June quarter of 2023 ($1.65 to $5.50).

Late payment fees

We identified 9 retailers that attached late payment fees to at least one of their small business flat rate market offers in the June quarter of 2024, ranging from $12 to $16, with most retailers (6 out of 9) attaching a fee of $12. The range of fees was identical to those in the June quarter of 2023.

As in the June quarter of 2023, Diamond Energy was again the only retailer that attached a late payment fee and a pay on time discount to its market offer.[88]

Membership fees

The two retailers that attached membership fees in the June quarter of 2023 attached higher membership fees in the June quarter of 2024:

- Amber Electric attached a membership fee of $228 ($19/month) to each plan to access wholesale rates (up from $180 ($15/month) in the June quarter of 2023).
- Energy Locals attached a membership fee of $390 ($32.49/month) to both its plans to access wholesale energy rates (up from $180 ($29.99/month, with the first 6 months' membership total credited back to the customer's account after 6 months) in the June quarter of 2023).

Account establishment fees

Diamond Energy was the only retailer to attach an account establishment fee to its market offer in the June quarter 2024. The fee ($22, unchanged from the June quarter of 2023) was payable upon transfer from another retailer.

Metering fees

Three retailers attached metering fees to each of their small business flat rate market offers in the June quarter of 2024:

- Blue NRG attached 2 daily metering charges of $0.66 (minimum) and $2.893 (maximum). It was unclear how Blue NRG determined what price to charge its customers.
- Momentum Energy attached an 'other fee' of $2.984, which it described as 'COMMS (Type 1–4) daily metering charge if applicable' (the same was attached in the June quarter of 2023).
- Next Business Energy attached 3 'other fee' types, described as 'COMM4C Metering Charge' ($22), 'COMMS4D Metering Charge' ($22) and 'COMMS3 Metering Charge' ($77).

Exit fees

No retailers have attached exit fees to their small business flat rate market offers since the June quarter of 2019. However, as in previous years, some retailers explicitly stated in the June quarter of 2024 on Energy Made Easy for all or most of their plans that they did not have any exit fees attached (Amber Electric, Energy Locals, Pacific Blue Retail and Powershop).

[88] Pay on time discounts in the June quarter of 2024 are outlined in chapter 3 (section 3.5.1).

4.6.2 Standing offers

In the June quarter of 2024, 8 of the 18 retailers with small business flat rate standing offers attached retail fees to at least one of their plans (Table 4.4). This compares to 9 of the 19 retailers in the June quarter of 2023.[89]

Table 4.4: Retail fees – small business flat rate standing offers, June quarter 2024

Retailer	Dishonour payment fee		Paper bill fee	Card payment processing fee
	Cheque	Direct debit		
1st Energy	$15.00	$7.50	–	–
Amber Electric	–	$11.00	–	1.00% [a]
Blue NRG	–	$10.89	$5.50	0.97% / 1.39% [b]
CovaU	$9.50	$9.50	–	–
Diamond Energy	–	$10.00	–	–
Energy Locals	–	$10.00	–	–
Future X Power	$15.00	$15.00	–	
Sumo Power	$2.75 [c]			–

a Fee for payments made by credit or debit card.
b Visa and Mastercard credit card payment fee (0.97%), Amex/JCB payment fee (1.39%).
c Sumo Power did not specify whether this fee applied to cheque, debit or both payment types. As in the June quarter of 2023, the fee was coded as an 'other fee' on Energy Made Easy, while other retailers generally coded their dishonour payment fees as either a fee for dishonoured cheque or dishonoured direct debit payments.
Note: Fees and charges listed did not necessarily apply to all plans published by the retailers.
Sources: Energy Made Easy; QCA analysis.

All 8 retailers with fees attached to at least one of their small business flat rate standing offers, attached dishonour payment fees in the June quarter of 2024, which ranged from:

- $9.50 to $15.00 for dishonoured cheque payments
- $7.50 to $15.00 for dishonoured direct debit payments.

In the June quarter of 2023, the range of fees was larger for dishonoured cheque payments ($7.50 to $15.00) but smaller for dishonoured direct debit payments ($7.50 to $11.00).

The standing offers of Amber Electric and Blue NRG included paper bill and/or card payment processing fees, which are not allowed to be charged to standing offer customers in Queensland. We checked with both retailers if any standing offer customers had been charged prohibited fees. Both retailers promptly replied to our enquiry and advised that they had not charged any of these fees.

We consider that the additional fee information on the following 3 retailers' standing offers on Energy Made Easy does not align with the restriction on the fee types that can be attached to standing offers in Queensland:

- EnergyAustralia stated that customers could avoid payment processing fees by paying from their bank account using direct debit or BPay.
- Alinta Energy and Ovo Energy stated that they reserved the right to change or impose additional fees or charges; if that happened, they would notify customers.

[89] For more detail on of the fees attached to small business flat rate standing offers in the June quarter of 2023, see QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 57–58.

4.7 Metering charges

4.7.1 Meter read fees

Table 4.5 shows the meter read fees attached to retailers' standing and market offers. We focus on the fees attached to residential and small business flat rate plans in the June quarter of 2024. We observed that individual retailers' fees were similar – or even identical – across the 5 tariffs and tariff combinations we cover in this report, and in the 4 quarters of the financial year, as in previous years.

Table 4.5: Meter read fees – residential and small business flat rate plans, June quarter 2024

Retailer	Meter read fees	
	Residential flat rate plans ($)	Small business flat rate plans ($)
1st Energy	14.45	14.45
AGL	14.45	14.45
Energy Locals	–	50.80
EnergyAustralia	14.45	–
ENGIE	14.45	14.45
Kogan Energy	14.45	–
Nectr	14.45	–
Powershop	14.45	14.45
ReAmped Energy	13.27	13.27
Simply Energy	14.45	14.45

Notes: A dash (–) means the retailer did not attach meter read fees to any of its plans or did not have any residential or small business flat rate plans available on Energy Made Easy in this quarter. Not every retailer attached meter read fees to its plans in this quarter. Where a retailer had fees attached, it did not necessarily attach those fees to all the plans. Fee amounts have been rounded to 2 decimal places.
Source: Energy Made Easy.

The meter read fee of $14.45 listed by most retailers that provided information on their meter read fees is consistent with the GST inclusive 2023–24 price charged by Energex for a special meter reading (excluding final read).[90] However, many retailers stated that the fee amount may vary. For example, Energy Locals attached a fee of $50.80, which would be charged when the customer moves out, but said the actual fee may vary.

We note that not all retailers provided information on meter read fees on Energy Made Easy. We consider that retailers should always provide clear fee information on Energy Made Easy, and at the very least a link to a page on their website where customers can access clear, SEQ-specific, additional information on applicable meter read fees.

4.7.2 Energex metering charges

Since 1 July 2015, Energex has been required to separate its metering charges to allow transparency of metering costs. Energex's daily metering service charge recovers the cost for the provision of metering services for 'type 6' basic (accumulation) meters, which includes meter provision, meter reading, meter maintenance and meter data services. Table 4.6 shows the applicable daily metering service charges in 2023–24.

[90] Energex, *2023–24 Network Price List*, 2023. We note that the amount of $13.27 listed by ReAmped Energy corresponds to the GST-inclusive 2022–23 price.

Table 4.6: Energex's daily metering service charges in 2023–24

Tariff	Energex metering service charges	
	Daily charge (cents)	Annual charge ($)
Primary tariff	11.615	42.42
Load control	3.385	12.36
Solar photovoltaic	8.336	30.45

Note: The metering charges exclude GST.
Source: Energex, *Network tariffs & pricing*, Energex website, n.d., viewed 1 July 2024.

Many retailers add these charges to the daily supply charges of their plans, while other retailers include a separate metering charge. Energy Made Easy does not provide sufficient information to determine how each retailer bills customers for Energex's primary, load control and solar metering service charges.

As we stated in previous market monitoring and solar feed-in tariff monitoring reports, we consider that all retailers should clearly identify Energex's metering charges on Energy Made Easy, or state that they do not levy these charges if that is the case. This would make information for customers clearer and make it easier for them to compare plans.

4.7.3 Advanced digital metering charges

Retailers are required to disclose metering arrangements and any associated costs on electricity plans published on Energy Made Easy. Metering fees are among the key fees that retailers must include on energy plans, where the fee will be incurred by all or a significant portion of customers.[91] Table 4.7 summarises retailers' commentary on advanced digital metering (ADM) charges in the SEQ retail market in the June quarter of 2024 on Energy Made Easy. ADM charges apply to type 4 meters (smart meter) or type 4a meters (smart meter no communications).

Table 4.7: Retailers' commentary on advanced digital metering charges attached to residential and small business flat rate plans in SEQ, June quarter 2024

Retailer	Advanced digital metering charge commentary
1st Energy	Customers had to upgrade to a 1st Energy smart meter to be eligible for certain offers.
Amber Electric	Amber Electric noted it will install a smart meter if the customer did not have one.
ENGIE	ENGIE noted that it may vary customers' rates and charges at any time, including if any underlying information is incorrect, customers get a new meter, or their distributor changes the tariff.
Red Energy	Red Energy stated that charges may vary and advised customers to contact the retailer for specific metering charges.
Simply Energy	Simply Energy noted that it may vary customers' rates and charges at any time, including if any underlying information is incorrect, customers get a new meter, or their distributor changes the tariff. However, the retailer stated that it would give customers advance notice of any change, which may be on the bill.

Note: The remaining retailers did not provide any clear ADM information on Energy Made Easy.
Source: Energy Made Easy.

[91] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, pp 10–11, clauses 43, 47(j), 48(j).

Analysis of all retailers' residential and small business flat rate offers showed that as in previous years:

- most retailers did not provide any clear information on how they treated ADM charges
- some retailers had plans that were only available to customers with a smart meter, but no ADM charges were attached to the plans
- some retailers published separate solar and non-solar plans with different daily supply charges
- a few retailers had no plans that were available for basic (type 6) accumulation meters or described the meter type for their plans as 'type 0'.

The ACCC requires retailers to include recurring metering charges in the unconditional price of plans that it uses to check compliance of standing offers with the DMO and to calculate the comparison percentage for communicating price information to customers.[92] In our view, retailers' plans on Energy Made Easy should disclose the value of ADM charges to comply with this requirement.

Consistent with our view on disclosure of Energex's metering charges, we consider that all retailers should clearly identify ADM charges on Energy Made Easy or state that they do not levy these charges. This would improve the clarity of information for customers and assist comparability of plans.

4.8 Distribution non-network charges

As in previous years, retailers' plans available in 2023–24 generally included some distribution non-network charges. Reconnection and disconnection fees are key fees that retailers must specify on Energy Made Easy.[93] While distribution non-network charges are payable by customers, there is no 'typical' liability for these fees, which are only charged when reconnection and disconnection services are provided. As the fees are not charged on a regular basis – unlike supply and usage charges – they are not included in our bill calculations. However, we discuss them separately in sections 4.8.1 and 4.8.2 to provide an overview of these charges.

4.8.1 Reconnection fees

Table 4.8 shows the reconnection fees attached to retailers' standing and market offers. We focus on the fees attached to residential and small business flat rate plans in the June quarter of 2024. We found that individual retailers' fees were similar – or even identical – across the 5 tariffs and tariff combinations we cover in our report, and in all the quarters of the financial year, as in previous years.

Table 4.8: Reconnection fees – residential and small business flat rate plans, June quarter 2024

Retailer	Reconnection fees	
	Residential flat rate plans ($)	Small business flat rate plans ($)
AGL	58.20	58.20
Alinta Energy	0 / 128.11 / 140.35	0 / 128.11 / 140.35
Ampol Energy	14.45	–
Blue NRG	–	624.75
CovaU	58.20	58.20
Dodo Power & Gas	50.15	–
EnergyAustralia	0	0
ENGIE	13.27	13.27
Momentum Energy	105.51	105.51
Next Business Energy	–	0

[92] ACCC, *Guide to the Electricity Retail Code* [version 3], 2021, p 5.
[93] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, pp 10–11, clauses 43–47.

Retailer	Reconnection fees	
Nectr	105.51	–
Origin Energy	14.45	14.45
Pacific Blue Retail	0	0
Simply Energy	0 / 13.27	0
Tango Energy	0	0

Notes: A dash (–) means the retailer did not attach reconnection fees to any of its plans or did not have any residential or small business flat rate plans available on Energy Made Easy in this quarter. Not every retailer attached reconnection fees to its plans in this quarter. Where a retailer had fees attached, it did not necessarily attach those fees to all the plans. Fee amounts have been rounded to 2 decimal places.
Source: Energy Made Easy.

In the June quarter of 2024, 13 of the 25 retailers with residential flat rate plans attached reconnection fees to at least one of their plans (compared to 12 of the 26 retailers in the June quarter of 2023), and 12 of the 22 retailers with small business flat rate plans attached reconnection fees to at least one of their plans (compared to 9 of the 19 retailers in the June quarter of 2023).[94]

The range of reconnection fees in the June quarter of 2024 ($0 to $624.75) was larger than in the June quarter of 2023 ($0 to $549.92). In both June quarters, Blue NRG had the highest reconnection fees. The highest fee in the June quarter of 2024 ($624.75) was attached to each of Blue NRG's small business plans and was described as a reconnection fee (business hours), but the retailer noted that fees may vary. The highest fee for residential customers in the June quarter of 2024 ($140.35) was attached to each of Alinta Energy's plans and was described as a fee for out-of-business-hours reconnection.

Table 4.8 shows that the reconnection fees attached to retailers' residential and small business flat rate plans in the June quarter of 2024 were generally identical. However, as we observed in previous years, the information on reconnection fees was often inconsistent or unclear on Energy Made Easy in the June quarter of 2024. For example, some retailers:

- stated that a fee 'may apply' or 'may be charged' (usually without specifying under which circumstances the fee 'may apply' or 'may be charged')
- cautioned customers that the fee 'may vary'
- entered fees as GST-inclusive, while others did not mention the GST status of their fees
- had different fee amounts attached to different plans (e.g. standing offers or market offers)
- advised customers to contact their retailer or refer to its website to confirm the fee
- included a fee but stated the fee amount as zero
- did not include reconnection fees but noted that fees imposed by the distributor would be 'passed through'
- referred customers to the 'additional fee information' on Energy Made Easy for more details, which, in turn, referred customers to the retailer's website
- used different descriptions for their fees, and what the fees applied to
- attached fees that were described as a pass-through of network charges but did not necessarily match the fees for reconnection of services levied by Energex.

We consider that these issues add complexity when customers compare plans.

[94] For more detail on the reconnection fees attached in the June quarter of 2023, see QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 60–62.

4.8.2 Disconnection fees

Table 4.9 shows the disconnection fees attached to retailers' standing and market offers. We focus on the fees attached to residential and small business flat rate plans in the June quarter of 2024. We found that individual retailers' fees were similar – or even identical – across the 5 tariffs and tariff combinations we cover in our report, and in all the quarters of the financial year, as in previous years.

Table 4.9: Disconnection fees – residential and small business flat rate plans, June quarter 2024

Retailer	Disconnection fees	
	Residential flat rate plans ($)	Small business flat rate plans ($)
1st Energy	14.45	14.45
AGL	14.45	14.45
Alinta Energy	0	0
Ampol Energy	14.45	–
Amber Electric	50.80	50.80
Blue NRG	–	624.75
CovaU	0	0
Diamond Energy	12.68	12.68
Dodo Power & Gas	19.00	–
Energy Locals	50.80	50.80
EnergyAustralia	14.45	0
ENGIE	12.45 / 14.45	12.45 / 14.45
Future X Power	12.00	12.00
GloBird Energy	15.00	–
Kogan Energy	0	–
Momentum Energy	85.81	85.81
Nectr	14.45 / 85.81	–
Next Business Energy	–	0
Origin Energy	14.45	14.45
Ovo Energy	50.80	50.80
Pacific Blue Retail	0	0
Powershop	0	0
ReAmped Energy	13.27	13.27
Red Energy	0	0
Simply Energy	12.45 / 13.14 / 14.45	13.14
Tango Energy	0	0

Notes: A dash (–) means the retailer did not attach disconnection fees to any of its plans or did not have any residential or small business flat rate plans available on Energy Made Easy in this quarter. Not every retailer attached disconnection fees to its plans in this quarter. Where a retailer had fees attached, it did not necessarily attach those fees to all the plans. Fee amounts have been rounded to 2 decimal places.
Source: Energy Made Easy.

In the June quarter of 2024, 24 of the 25 retailers with residential flat rate plans attached disconnection fees to at least one of their plans (compared to 24 of the 26 retailers in the June quarter of 2023), and 21 of the 22 retailers with small business flat rate plans attached disconnection fees to at least one of their plans (compared to 17 of the 19 retailers in the June quarter of 2023).[95]

The range of disconnection fees in the June quarter of 2024 ($0 to $624.75) was higher than in the June quarter of 2023 ($0 to $549.92). In both June quarters, Blue NRG had the highest disconnection

[95] For more detail on the disconnection fees attached in the June quarter of 2022, see QCA, SEQ retail electricity market monitoring 2022–23, 2023, pp 62–63.

fee. A $624.75 'move out' disconnection fee that 'may vary' was attached to each of its small business flat rate market offers in the June quarter of 2024. The highest disconnection fee for residential customers was attached to Momentum Energy's and Nectr's standing and market offers ($85.81). Momentum Energy described it as a general disconnection fee, while Nectr noted that it was an Energex network charge that is passed through and that the actual fee 'may vary'.

Table 4.9 shows that the disconnection fees attached to retailers' residential flat rate and small business flat rate plans in the June quarter of 2024 were generally identical. However, as we observed in previous years, the information on disconnection fees was often inconsistent or unclear on Energy Made Easy in the June quarter of 2024. For example, some retailers:

- stated that a fee 'may apply' or 'may be charged' (usually without specifying under which circumstances the fee 'may apply' or 'may be charged') or that a fee 'generally applies'
- cautioned customers that the fee 'may vary'
- included fees as GST inclusive, while others did not mention the GST status of their fees
- had different fee amounts attached to different plans (e.g. standing offers or market offers)
- advised customers to contact their retailer or refer to its website to confirm the fee
- only attached such fees to some plans (e.g. only to market offers)
- included a fee but stated the fee amount as zero
- referred customers to the 'additional fee information' on Energy Made Easy for more details, which, in turn, referred customers to the retailer's website
- used different descriptions for their fees, and what the fees applied to
- attached fees that were described as a pass-through of network charges but did not necessarily match the fees for disconnection services levied by Energex
- coded their disconnection fees to an incorrect fee type[96] or did not include the information consistently on Energy Made Easy.

We consider that these issues add complexity when customers compare plans.

4.8.3 Other potential distribution non-network charges

As in previous years, some retailers included information with their plans on Energy Made Easy that referred to the potential for distribution non-network charges – other than those listed on Energy Made Easy – to be levied on customers. We consider that retailers should clearly identify on Energy Made Easy where customers can obtain information on distribution non-network charges that apply, or may apply, to their plans.

4.9 Observations on fees and charges

We identified similar issues with the information retailers provided on Energy Made Easy in 2023–24 as we did in our previous reports. We consider that these issues add to the complexity that customers face when selecting the best plan for their circumstances.

4.9.1 Further fees that could be charged

If retailers apply any further fees to a plan that are not key fees, they have to include information on Energy Made Easy with a reference to where a customer can access additional information on these

[96] Retailers should distinguish between 3 different types of disconnection fees on Energy Made Easy – a general fee (DiscoF), a fee for moving out (DiscoFMO) and a fee for non-payment (DiscoFNP).

fees – for example, for special meter read or meter inspection fees, which are not key fees, the reference must be to a specific URL where details of these fees can be found.[97]

Since retail electricity prices were deregulated in SEQ in 2016, some retailers have been referring to the potential for fees – other than those listed on Energy Made Easy – to be levied on customers.[98] As in previous years, this was also the case in the June quarter of 2024, and we found that retailers used the additional fee information field on Energy Made Easy to:

- advise customers to phone the retailer for further information on fees and/or fees that may apply on a phone number provided
- refer customers to specific pages on their websites for information on additional fees and charges that apply or may apply
- refer customers to the home page of their website, rather than a fee-specific page
- advise customers to contact the retailer or to refer customers to their website, sometimes without including a web page, phone number or any other contact details
- inform customers that the retailer reserves the right to change or impose additional fees or charges.

We consider that all retailers should provide a link on Energy Made Easy to a specific page on their website, where customers can access clear, SEQ-specific information on retail fees.

Last year, Sumo Power stated on Energy Made Easy that it would pass through any fee from the distributor, including fees for disconnection or reconnection, or special meter read (move-out), plus a $5.50 admin fee.[99] Such a fee was not disclosed on Energy Made Easy in the June quarter of 2024 anymore. However, we note that the retailer continued to state on its website that it would 'pass through any fee imposed by the distributor, including fees for disconnection or reconnection' and that an 'additional $5.50 (incl GST) administration fee may also apply'.[100]

4.9.2 Fees that 'may' apply

As in previous years, a number of retailers listed fees on Energy Made Easy that 'may' apply. We appreciate that there may be circumstances in which the fees may not apply, but we have included them in our analysis, because customers should consider the potential to be charged these fees when comparing plans. We also note that retailers rarely explain on Energy Made Easy or on their websites the circumstances in which fees 'may' apply.

4.9.3 Fees with a value of zero

Some retailers continued to include fee types with a value of zero on Energy Made Easy, stating that the fee may vary and/or to check their website for additional details. To support the clarity, completeness and comparability of plans, we encourage retailers not to include fee types on their plans with a value of zero.

[97] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, p 10, clause 45.
[98] While the AER's retail pricing information guidelines refer to 'further fees', many retailers call these fees 'additional fees (and charges)' on Energy Made Easy.
[99] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 51, 56.
[100] Sumo Power, *Electricity fees*, Sumo Power website, 2024, viewed 19 July 2024.

4.9.4 GST on fees

Retailers are required to specify fees inclusive of GST.[101] As in previous years, we found that the reported GST treatment within some fee types was inconsistent or unclear between retailers for both residential and small business plans, and some retailers:

- stated that particular fees – especially late payment and dishonour payment fees – were not subject to GST, while other retailers applied GST to the same fee type
- indicated that GST applied to some fees but did not identify the GST status of other fees.

We consider that retailers should pay closer attention to the requirement to specify fees inclusive of GST and should clearly indicate the GST status of their fees on Energy Made Easy.

4.9.5 Quality assurance of fee information

Retailers are responsible for the quality of data and information they publish on Energy Made Easy.[102] We consider that a broader range of predetermined input fields on Energy Made Easy, with limited free text options available to retailers to describe their plans, could improve the quality (and hence comparability) of information on Energy Made Easy.

We agree with the AER's position that the AER should not be responsible for the quality of retailers' information on Energy Made Easy. However, our analysis of retail fees across our 8 annual reports clearly shows that retailers make mistakes in the information they provide on Energy Made Easy. Further, we think it is highly likely that, with so many retailers in the market, retailers will continue to provide fee information on Energy Made Easy and their own websites on an inconsistent basis, such that customers will not be able to easily compare fees across retailers.

4.10 Key considerations for customers

Fees and charges can increase customers' electricity bills. Customers should consider the following key points:

- Retailers can charge customers fees and charges in addition to supply and usage charges. This can lead to a higher-than-expected bill – for example, if a bill is not paid on time.
- Customers on a plan with conditional discounts attached should carefully consider the fees attached to the plan. If customers lose their conditional discounts, they may also have to pay additional fees (such as late payment fees), which can substantially increase their bill.
- Some fees may be included in each single bill (such as paper bill fees), or they are levied on top of the bill when it is paid (such as credit card payment processing fees).
- Some fees 'may' apply. Customers are advised to check with the retailer directly as to the circumstances when such fees apply, given that such information is rarely disclosed on Energy Made Easy.
- Retailers are only allowed to charge SEQ standing offer customers certain fee types. Fees for paper bills, card payments or late payments are prohibited. Customers should check their bills and contact their retailer if they believe they were incorrectly charged such prohibited fees. If a customer has been charged a prohibited fee, they may also notify the QCA.

[101] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, p 10, clause 44.
[102] AER, *AER Retail Pricing Information Guidelines* [version 5.0], 2018, p 8, clauses 25–28.

5 Bills weighted by retailer market share

Key findings

We compared and assessed the trends in standing offer and generally available market offer bills for residential and small business flat rate customers (in nominal dollars) from 2015–16 to 2023–24, each weighted by retailer market share. We found:

- Weighted average standing offer bills were always higher than weighted average market offer bills in each quarter from 2015–16 to 2023–24.
- Weighted average bills increased in 2015–16 and 2016–17, and then decreased from 2017–18 to 2021–22.
- Since 2022–23, weighted average bills have grown substantially. We observed the following increases:
  - over the past 2 years (between the June quarters of 2022 and 2024):

	Standing offer bill	Market offer bill
Residential customers	+34.3%	+38.5%
Small business customers	+43.2%	+36.2%

  - over the past year (between the June quarters of 2023 and 2024):

	Standing offer bill	Market offer bill
Residential customers	+20.8%	+11.7%
Small business customers	+19.3%	+11.2%

- We had to make a number of assumptions to calculate bills weighted by retailer market share. Our results should therefore be interpreted and used with caution.

5.1 QCA methodology

5.1.1 Bills based on latest consumption data

As for our previous reports, we calculated an annual bill (in nominal dollars) for each plan available on Energy Made Easy since 2015–16, based on a constant electricity usage level – the median annual consumption of a typical SEQ customer (Table 2.1). By recalculating all the bills for each quarter with the same consumption level, we can ensure that any changes in bills we observe reflect changes in prices only and are not distorted by changes in consumption over time.[103]

5.1.2 Bills weighted by retailer market share

The direction requires us to weight standing and market offer bills by retailer market share. Consistent with the methodology we applied in previous reports, we used AER data to calculate

[103] Since we have recalculated all the bills from the September quarter of 2015 to the June quarter of 2023, the bills in this chapter are different to the bills we presented in our previous market monitoring reports.

market shares based on the number of customers on standing or market offers in each quarter. In our calculations we only included the standing or market offer customer numbers of those retailers that had standing or market offers available in that quarter, since not every retailer had plans on Energy Made Easy in every quarter.

The AER's data shows the total number of residential and small business customers in Queensland, as well as the number of customers on market contracts. We calculated the number of customers on standing offers in each quarter as the difference between the total number of customers and the number of customers on market contracts in that quarter.[104]

Data for the June quarter of 2024 was not available when we finalised this report. As a proxy, we calculated the market share for the March quarter of 2024 to weight the standing and market offer bills in the June quarter of 2024.

5.1.3 Data restrictions

The AER's data does not provide information on the total number of customers by tariff type.[105] The total number of customers includes customers on flat rate, controlled load, time-of-use and other tariffs. In our view, the total number of customers does not provide a sound basis to calculate market shares for controlled load or time-of-use tariff customers, given their relatively lower share among the total number of customers.[106] We therefore present a weighted trend analysis for residential flat rate and small business flat rate tariffs only.

The AER's data on some retailers may be unreliable, in particular in the earlier years. The AER updated data from AGL – one of the largest retailers in SEQ by market share – for 2017–18 and cautioned that '[t]his should be taken into account when drawing trends in jurisdictions where AGL is active'.[107] Readers should bear this in mind when interpreting the weighted average bills in this chapter.

We also note that our approach to weighting assumes that the uptake of a retailer's plans is proportional to this retailer's current market share. However, retailers with a larger market share did not necessarily have the most competitive offers available. In fact, we have often observed smaller retailers – including new market entrants – with very competitive offers. Customers looking to save would likely have taken up the plans of those smaller retailers.

5.1.4 Influence of large retailers

When interpreting the weighted average bills, it is important to note that some retailers have relatively high market shares. The offers of these larger retailers have a strong influence on the weighted average bills. For example, AGL's and Origin Energy's combined market share for

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[104] The difference between the total number of customers and the number of customers on a market contract includes a very small number of customers on a deemed contract. In the March quarter of 2024, 0.3% of the residential customers and 1.1% of the small business customers in Queensland were on a deemed contract (AER, *Retail energy market performance update for Quarter 3, 2023–24* [schedule 2], 2024, viewed 8 October 2024). Customers can, for example, be on a deemed contract if they move to a new address and do not arrange to be on a specific standing or market offer. In this case, they will initially be on the deemed retail arrangement from the local retailer when they use electricity. The terms and conditions of this deemed contract are equivalent to those of the retailer's standing offer (AEMC, *2018 Residential Electricity Price Trends Methodology Report* [final report], 2018, p 6). See also the NERL, section 54 and the definition of 'move-in customer' in section 2.

[105] The AER's performance indicator for tariff structures (S2.8) relates only to customers with a smart meter (AER, *AER (Retail Law) Performance Reporting Procedures and Guidelines* [version 3], 2018, p 11).

[106] Unpublished data provided by Energex.

[107] The AER removed all retail performance data from its website in September 2018 after discovering 'significant errors' in the data provided by AGL. AGL resubmitted a complete dataset for 2017–18 and indicated that previous years' data may still be inaccurate (AER, *Retail energy market performance update for Quarter 1, 2017–18*, 2018, viewed 8 October 2024; AER, *AER removes retail performance data from its website* [news release], 11 September 2018).

residential standing offer customers was 92.7% in the March quarter of 2024.[108] The weighted average standing offer bill in that quarter therefore almost exclusively reflects the standing offers of these 2 retailers.

5.1.5 Retail brands

Some authorised retailers sell energy under their own name and also own retail 'brands' that sell energy. The AER does not report customer numbers separately for retail brands that are owned by an authorised retailer. We understand that the customer numbers of such retail brands are included in the customer numbers of the authorised retailer parent company. For the purpose of calculating market shares for each quarter from 2015–16 to 2023–24, we apportioned the reported customer numbers of the authorised retailer parent company in equal parts to the authorised retailer and to its retail brand(s) if both the authorised retailer and its retail brand(s) had plans available in any given quarter. We apportioned customer numbers in this way for the following retailers:

- Amaysim Energy, which owned the Click Energy retail brand until September 2020 [109]
- Energy Locals, which was the provider of energy to customers of Amber Electric until December 2020[110]
- Powershop, which is the energy provider of Kogan Energy and also sold energy under the name of DC Power until the March quarter of 2020
- EnergyAustralia, which published offers under its own name and under its 'brand' On by EnergyAustralia from the June quarter of 2021 until the June quarter of 2022
- Simply Energy, which rebranded to ENGIE in April 2024 and had plans published under both names in the June quarter of 2024
- Tango Energy, which changed its legal name in April 2023 but had plans published as Tango Energy and Pacific Blue Retail in the March and June quarters of 2024.

We acknowledge that the newer retail brands may not yet have as many customers as their authorised retailer parent company. Nevertheless, as there is no reliable information available on the customer numbers of these retail brands, we consider that splitting the reported customer numbers of the authorised retailer equally between the authorised retailer and its retail brand(s) is the most straightforward approach to calculate market shares for the purpose of weighting their standing offer bills and generally available market offer bills. This approach could, in some instances, result in a slight overestimation of the market share of the retail brand(s). Accordingly, the bill of the retail brand(s) would be slightly overrepresented in the weighted average bill, while the bill of the authorised retailer would be underrepresented. However, we do not consider that this significantly impacts on the total weighted average bill.

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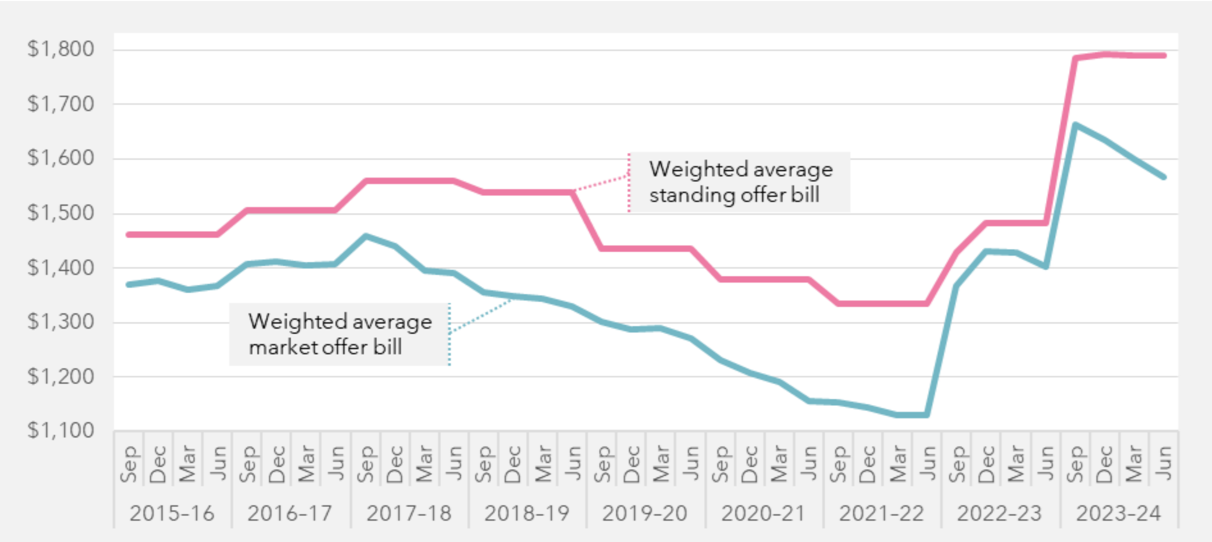
[108] Market share based on the total number of standing offer customers of those retailers that had residential flat rate standing offers published on Energy Made Easy in the March quarter of 2024 (AER, _Retail energy market performance update for Quarter 3, 2023–24_ [schedule 2], 2024, viewed 8 October 2024; QCA analysis).
[109] AGL acquired Click Energy in 2020 and Click Energy customers were transitioned to AGL (AGL, _AGL finalises acquisition of Click Energy_ [media release], 1 October 2020). Amaysim Energy no longer offers retail electricity plans.
[110] Amber Electric applied for a retailer authorisation in its own right, which the AER approved in December 2020 (AER, _Amber Electric Pty Ltd – authorised electricity retailer_, AER website, n.d., viewed 8 October 2024).

5.2 Trends in weighted average residential bills

Figure 5.1 shows the standing offer bills and generally available market offer bills, in nominal dollars, for the typical residential flat rate customer in each quarter from 2015–16 to 2023–24, each weighted by retailer market share. Over this period, the weighted average standing offer bill was always higher than the weighted average market offer bill.

The difference between the weighted average standing offer and market offer bill was around $100 in 2015–16 and 2016–17 but then grew substantially over the next few years. It decreased to nearly $50 in 2022–23 but increased rapidly again from quarter to quarter during 2023–24 to $225 in the June quarter of 2024.

Figure 5.1: Weighted bills for a typical residential flat rate customer, 2015–16 to 2023–24



Notes: Annual bills (in nominal dollars) for each quarter based on the median consumption of a typical SEQ residential flat rate customer (Table 2.1), weighted by retailer market share in that quarter. A table with detailed bills, by quarter, is included in Appendix C.
Sources: Energy Made Easy; AER retail performance data; QCA analysis.

The weighted average standing offer bill for the typical residential flat rate customer increased by 22.5% over the past 9 years (from the beginning of 2015–16 to the end of 2023–24). It decreased by 8.7% over the first 7 years, despite small increases in the first 2 years. However, over the past 2 years, the weighted average standing offer bill increased by 34.3% (between the June quarters of 2022 and 2024). In 2023–24 alone, the weighted average standing offer bill increased by 20.8% (between the June quarters of 2023 and 2024).[111]

The weighted average market offer bill for the typical residential flat rate customer increased by 14.4% over the past 9 years (from the beginning of 2015–16 to the end of 2023–24). It decreased by 17.4% over the first 7 years, despite a small increase in the first 2 years. In 2022–23, it increased by 24.1% (between the June quarters of 2022 and 2023). It peaked in the September quarter of 2023 and thereafter gradually decreased until the June quarter of 2024.

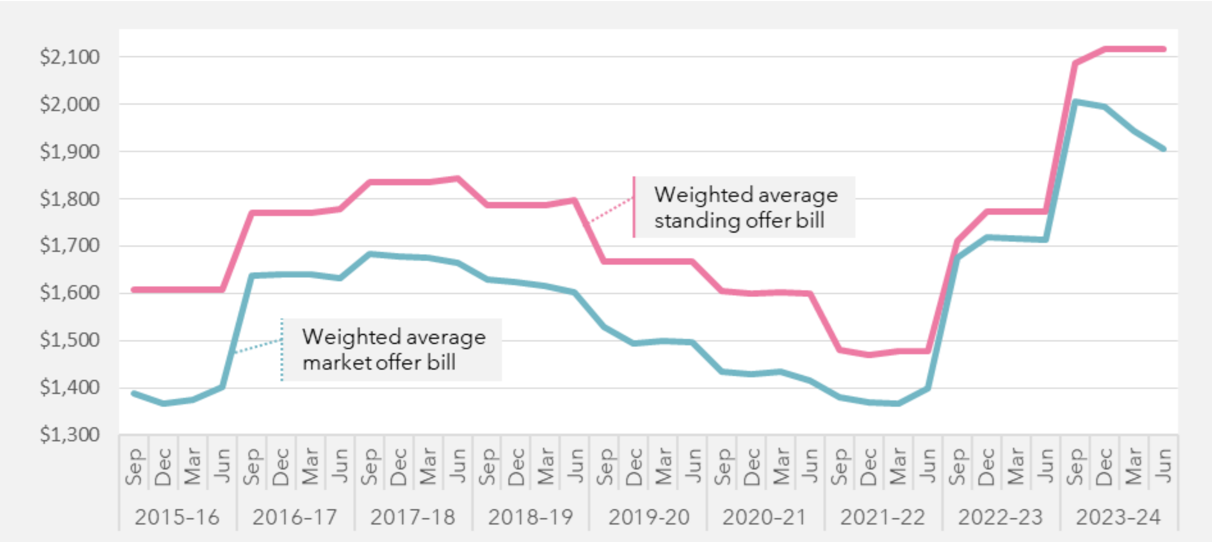
[111] We note that the Brisbane All Groups consumer price index (CPI) increased by 30.1% over the past 9 years. The increase over the past 2 years was 9.9% (Australian Bureau of Statistics (ABS), *Consumer Price Index, Australia*, September quarter 2024, Time series spreadsheets – Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, ABS website, accessed 19 November 2024; QCA analysis).

5.3 Trends in weighted average small business bills

Figure 5.2 shows the standing offer bills and generally available market offer bills, in nominal dollars, for the typical small business flat rate customer in each quarter from 2015–16 to 2023–24, each weighted by retailer market share. Over this period, the weighted average standing offer bill was always higher than the weighted average market offer bill.

The difference between the weighted average standing offer and market offer bill was around $150 to $200 between 2017–18 and 2020–21. It decreased substantially in 2021–22 and reached its lowest level in the September quarter of 2022 ($34). Since then, the difference has increased again in each quarter, reaching $210 in the June quarter of 2024.

Figure 5.2: Weighted bills for a typical small business flat rate customer, 2015–16 to 2023–24



Notes: Annual bills (in nominal dollars) for each quarter based on the median consumption of a typical SEQ small business flat rate customer (Table 2.1), weighted by retailer market share in that quarter. A table with detailed bills, by quarter, is included in Appendix C.
Sources: Energy Made Easy; AER retail performance data; QCA analysis.

The weighted average standing offer bill for the typical small business flat rate customer increased by 31.7% over the past 9 years (from the beginning of 2015–16 to the end of 2023–24). It decreased by 8.0% over the first 7 years, after increasing by 14.7% in the first 3 years. However, over the past 2 years, the weighted average standing offer bill increased by 43.2% (between the June quarters of 2022 and 2024). In 2023–24 alone, the weighted average standing offer bill increased by 19.3% (between the June quarters of 2023 and 2024).[112]

The weighted average market offer bill for the typical small business flat rate customer increased by 37.3% over the past 9 years (from the beginning of 2015–16 to the end of 2023–24). It increased in the first 2 years, then fell until the March quarter of 2022. Prices increased sharply thereafter – the weighted average market offer bill increased by 46.9% between the March quarter of 2022 and the September quarter of 2023. From its peak in the September quarter of 2023, it gradually decreased until the June quarter of 2024.

[112] We note that the Brisbane All Groups consumer price index (CPI) increased by 30.1% over the past 9 years. The increase over the past 2 years was 9.9% (Australian Bureau of Statistics (ABS), *Consumer Price Index, Australia*, September quarter 2024, Time series spreadsheets – Tables 1 and 2. CPI: All Groups, Index Numbers and Percentage Changes, ABS website, accessed 19 November 2024; QCA analysis).

6 Customers receiving assistance with electricity bills

Key findings

Customers in SEQ may receive assistance with their electricity bills in the form of retailer hardship programs, the Queensland Government's electricity rebate and/or the Home Energy Emergency Assistance Scheme.

We have analysed, among other things, how many customers that received assistance were on standing offers and how many were on market offers. We have also investigated the prices they paid. We found that:

- In the December quarter of 2023, 92.3% of the 394,984 SEQ customers receiving assistance were on a market offer. The vast majority of these customers only received the Queensland Government's electricity rebate.
- The number of customers receiving assistance who were on a standing offer decreased between the December quarters of 2022 and 2023.
- Most assisted customers were on market offers that resulted in higher bills than the cheapest market offer their retailer had available, and some were higher than the most expensive market offer their retailer had available in the December quarter of 2023.
- It is important for customers receiving assistance to regularly check the 'better offer' statement on their bill and to engage with their retailer from time to time to ensure they are on the best plan that best meets their needs.

6.1 Assistance to customers

Our monitoring report provides information on residential customers that received assistance with their electricity bills in the form of retailer hardship programs, the Queensland Government's electricity rebate and/or the Home Energy Emergency Assistance Scheme (HEEAS). The Queensland Government cost of living rebate is not included in our analysis.

To refer to these customers, we sometimes use the terms 'customers receiving assistance with electricity bills' or 'assisted customers'.

6.2 QCA methodology

In April 2024, we issued an information notice to all retailers with SEQ residential customers in 2023–24 to collect information on customers participating in a hardship program, receiving the electricity rebate and/or support through HEEAS.[113]

[113] The notices were issued under section 89C of the Electricity Act.

6.2.1 Customers in hardship programs

To avoid inconsistencies between the data reported by the QCA and the AER, we based the data requirements about customers participating in a hardship program on hardship program data published by the AER – specifically, the AER's data for the December quarter of 2023.

We aligned our definition of hardship program customers with the AER's definition. Thereby, our measures of the number of customers in a hardship program, and of the number of hardship program customers receiving either the electricity rebate or HEEAS support or both, are a subset of retailers' hardship program data published by the AER.

We required retailers to disaggregate the number and contract type of hardship customers to show customers in a hardship program only, and customers in a hardship program who also received the electricity rebate and/or HEEAS support during the December quarter of 2023. Retailers were also required to report the prices paid by customers in each of these hardship subcategories.

6.2.2 Customers receiving the electricity rebate and/or HEEAS support

We report on customers who received the electricity rebate and/or HEEAS support (but who were not in a hardship program) during the December quarter of 2023. Retailers were required to report on the number of customers, the type of contract the customers were on and the prices they paid.

6.2.3 Tariffs covered in our analysis

As in previous years, we asked retailers to provide information on residential customers on common residential tariffs and tariff combinations. Our analysis focuses on customers on a flat rate tariff, flat rate with controlled load super economy tariff, or flat rate with controlled load economy tariff. Some assisted customers that were previously on one of these tariffs and tariff combinations may have moved to other tariffs, which would reflect in a reduction in the number of assisted customers in our reporting. To monitor the total number of assisted customers in SEQ, we also asked retailers to provide the total number of assisted customers this year.

6.2.4 Data quality and availability

Most retailers responded to the information notice by the end July 2024.[114] As in previous years, we identified a number of issues that we addressed with retailers before we started our analysis and investigated abnormalities that we found during the analysis.

The bills in this chapter are different to the bills we present in chapter 2. This is because our assessment in this chapter relies on the data retailers submitted, whereas the analysis in chapter 2 is based on the plans retailers had published on Energy Made Easy in 2023–24.

6.3 AER hardship customer data

The AER's retail market performance data shows that as at 31 December 2023, there were about 1.5 million residential customers in SEQ.[115] Table 6.1 shows that 19,563 customers were in a hardship program at the end of 2023, accounting for 1.3% of residential customers in SEQ. This is an increase

[114] One retailer (ReAmped Energy) did not provide information as it was exiting the market.
[115] AER, *Retail energy market performance update for Quarter 2, 2023–24* [schedule 2], 2024; QCA analysis.

of 6,401 hardship program customers from the 13,162 customers at the end of 2022,[116] which was 0.9% of residential customers in SEQ.

Table 6.1: AER hardship customer data for SEQ, December quarter 2023

Retailer	Customers on a hardship program			
	Standing offer customers[a]	Market offer customers	Total	Percentage (of each retailer's customers)
1st Energy	0	38	38	1.7%
AGL	43	2,937	2,980	0.8%
Alinta Energy	5	2,057	2,062	1.0%
Altogether Group	0	87	87	0.5%
Amber Electric	0	11	11	0.4%
Ampol Energy	0	2	2	0.0%
Apex Energy	0	2	2	0.3%
CovaU	0	7	7	1.4%
Diamond Energy	0	7	7	0.2%
Dodo Power & Gas	0	229	229	2.0%
Energy Locals	0	34	34	0.5%
EnergyAustralia	20	2,193	2,213	2.2%
Future X Power	0	3	3	6.4%
GloBird Energy	0	4	4	0.0%
Humenergy	0	3	3	0.2%
Metered Energy	20	0	20	0.1%
Momentum Energy	1	14	15	1.0%
Nectr Energy	0	279	279	1.2%
Origin Energy	220	10,409	10,629	1.8%
Ovo Energy	0	17	17	0.1%
Powershop	3	125	128	1.3%
ReAmped Energy	0	12	12	2.3%
Red Energy	0	354	354	0.6%
Simply Energy	5	356	361	3.9%
Sumo Power	0	47	47	0.4%
Tango Energy	0	15	15	1.6%
The Embedded Networks Company	0	2	2	1.2%
Winenergy	0	2	2	0.2%
SEQ total	**317**	**19,246**	**19,563**	**1.3%**

a The AER refers to these as standard customers.
Notes: We have excluded retailers that had zero hardship customers published by the AER (Amaysim Energy, Discover Energy, Electricity in a Box, Elysian Energy, GEE Energy, Glow Power, Locality Planning Energy, LocalVolts, Mojo Power, OC Energy, People Energy, Powerclub, Powerdirect, PowerHub, QEnergy, Real Utilities, Sanctuary Energy, Savant Energy).
Sources: AER, *Retail energy market performance update for Quarter 2, 2023–24* [schedules 2 and 4], 2024, viewed 18 October 2024; QCA analysis.

Some retailers made retrospective changes to customers' status and/or other adjustments to their hardship customer data following the publication of the AER's performance data for the December quarter of 2023. For this reason, some of the data in the following tables do not exactly match the data in Table 6.1.

[116] AER, *Retail energy market performance update for Quarter 2, 2023–24* [schedule 4], 2024; QCA analysis. Last year we reported 13,180 hardship customers. The AER data now shows fewer customers for Energy Australia (by 10) and Ovo Energy (by 8), resulting in 18 fewer customers in a hardship program being reported for the December quarter of 2022.

6.4 Number of assisted customers on standing offers and market offers

6.4.1 Total number of assisted customers by assistance category

Table 6.2 shows the total number of SEQ customers receiving assistance with electricity bills on standing offers and market offers, and the share of assisted customers on market offers, for each assistance category in the December quarter of 2023.[117]

Table 6.2: Total number of assisted customers in SEQ by contract type and assistance category, December quarter 2023

Category of customers	Number of customers on standing offers	Number of customers on market offers	Percentage of customers on market offers
Customers in a hardship program only	97	7,759	98.8%
Customers receiving the electricity rebate only	30,352	344,528	91.9%
Customers receiving HEEAS support only	17	234	93.2%
Customers in a hardship program and receiving the electricity rebate	63	9,977	99.4%
Customers in a hardship program and receiving HEEAS support	11	473	97.7%
Customers receiving the electricity rebate and HEEAS support	16	674	97.7%
Customers in a hardship program, and receiving the electricity rebate and HEEAS support	9	774	98.9%
SEQ total	**30,565**	**364,419**	**92.3%**

Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

In the December quarter of 2023, 90.6% of all residential customers in SEQ were on a market offer.[118] At the same time, a slightly higher share of SEQ customers receiving assistance with electricity bills (92.3%) were on a market offer. The share of assisted customers on market offers ranged from 91.9% (for customers receiving the electricity rebate only) to 99.4% (for customers in a hardship program and receiving the electricity rebate).

Customers receiving the electricity rebate only made up most assisted customers (some 95%) and a vast majority of assisted customers on standing offers (over 99%) in the December quarter of 2023.

6.4.2 Number of assisted customers by retailer

Table 6.3 shows the number of each retailer's SEQ customers on the 3 most common residential tariffs and tariff combinations that were receiving assistance with electricity bills. It shows the number of assisted customers who were on standing offers and market offers, as well as the share of customers who were on market offers, in the December quarter of 2023.

[117] This year the data includes customers across all residential tariffs and tariff combinations receiving assistance. Last year, we presented data on customers on the flat rate and the flat rate plus controlled load tariff combinations only.
[118] AER, *Retail energy market performance update for Quarter 2, 2023–24* [schedule 2 and 4], 2024, viewed 18 October 2024; QCA analysis.

Table 6.3: Assisted customers in SEQ by contract type and by retailer, December quarter 2023

Retailer	Number of customers on standing offers	Number of customers on market offers	Percentage of customers on market offers
1st Energy	0	783	100%
AGL	8,561	73,190	89.5%
Alinta Energy	0	35,066	100%
Altogether Group	0	2,311	100%
Amber Electric	0	84	100%
Ampol Energy	0	2	100%
Apex Energy	0	2	100%
CovaU	0	10	100%
Diamond Energy	42	703	94.4%
Discover Energy	1	3	75%
Dodo Power & Gas	35	2,063	98.3%
Energy Locals	0	19	100%
EnergyAustralia	154	18,156	99.2%
Future X Power	0	3	100%
GloBird Energy	0	1,001	100%
Glow Power	0	1	100%
Humenergy	0	231	100%
Metered Energy	2,795	0	0%
Momentum Energy	0	12	100%
Nectr Energy	0	6,005	100%
Origin Energy	17,401	168,061	90.6%
Ovo Energy	0	1,212	100%
Powerhub	0	161	100%
Powershop	46	1,008	95.6%
Red Energy	17	11,158	99.8%
Savant Energy	0	117	100%
Simply Energy	5	3,189	99.8%
Smart Energy	0	2	100%
Sumo Power	1	2,322	100%
Tango Energy	0	56	100%
The Embedded Networks Company	0	28	100%
Winenergy	0	113	100%
Total	**29,058**	**327,072**	**91.8%**

Notes: Retailers that reported having no customers receiving assistance, which have not been included in the table, are: Electricity in a Box, GEE Energy, Locality Planning Energy, LocalVolts, Microgrid Power, Next Business Energy, OC Energy, Real Utilities and Shell Energy.
Source: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

Table 6.3 shows that 32 retailers indicated they had customers who received at least one category of assistance with electricity bills in the December quarter of 2023. Of these retailers, 21 reported they only had assisted customers on market offers, and 11 reported they had at least one assisted customer on a standing offer.

Of the 11 retailers that had at least one assisted customer on a standing offer, 8 reported that over 90% of their assisted customers were on market offers, and another 2 retailers reported 75% and 89.5% of their assisted customers were on market offers. Metered Energy reported that none of its assisted customers were on market contracts.

6.4.3 Change in the number of assisted standing offer customers by retailer

Table 6.4 shows the change in each retailer's number of assisted customers on standing offers from the December quarter of 2022 to the December quarter of 2023, based on the 3 most common residential tariffs and tariff combinations.

Table 6.4: Assisted customers in SEQ on standing offer by retailer, change from December quarter 2022 to December quarter 2023

Retailer	December quarter 2022	December quarter 2023	Change (number)	Change (%)
Origin Energy	19,007	17,401	–1,606	-8.4%
AGL	9,003	8,561	–442	–4.9%
EnergyAustralia	291	154	–137	-47.1%
Metered Energy	2,837	2,795	-42	-1.5%
Powershop	67	46	–21	–31.3%
Smart Energy	19	0	–19	–100.0%
Dodo Power & Gas	51	35	–16	–31.4%
Diamond Energy	55	42	–13	–23.6%
Savant Energy	2	0	–2	–100.0%
Red Energy	18	17	–1	–5.6%
Sumo Power	2	1	–1	–50.0%
Simply Energy	5	5	0	0.0%
Discover Energy	1	1	0	0.0%
Total	**31,358**	**29,058**	**-2,300**	**-7.3%**

Notes: Retailers that did not report any assisted customers on standing offers for both December quarters are not included in this table. Retailers are ordered by the highest decrease in customer numbers.
Source: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

From the December quarter of 2022 to the December quarter of 2023, the number of assisted customers on standing offers decreased by 2,300 (–7.3%). The change in the number of assisted customers on standing offers varied by retailer. During this time, most retailers reported a decrease in the number of assisted customers on standing offers – only 2 retailers reported no change.

6.5 Standing and market offer prices paid by assisted customers

In chapter 2 and appendix A, we compare average bills based on retailers' standing and market offers that were available to SEQ customers in 2023–24. In this section, we present average bills for assisted customers in 2023–24, based on data provided by retailers in response to our information notice. To be able to compare the prices of the offers that assisted customers were on with the prices of offers that were available on Energy Made Easy, we calculated bills for each offer with the usage level of the typical SEQ customer (Table 2.1).[119]

Electricity consumption of assisted customers can vary significantly. The ACCC found that hardship and payment plan customers used significantly more electricity than general customers, and concession customers have the lowest usage.[120] We recognise that using the median usage of the

[119] An individual customer's usage during 2023–24 may have differed from the typical usage level.
[120] ACCC, *Inquiry into the National Electricity Market*, June 2024, pp 46-47; ACCC, *Inquiry into the National Electricity Market*, May 2022, pp 9, 40; ACCC, *Inquiry into the National Electricity Market*, June 2023, p 4.

typical SEQ customer may overestimate bills for electricity rebate customers (who tend to have a lower usage) and underestimate bills for the other assistance categories . Given the variability of electricity usage of assisted customers and across the assistance categories, we will continue to use the usage level of the typical SEQ customer.

The actual prices paid by customers may also vary significantly depending on whether they realise the conditional discounts attached to their plans. Plans with only guaranteed discounts (or no discounts) attached may result in lower bills than plans that have conditional discounts (and possibly also guaranteed discounts) attached. This may be because guaranteed discounts are higher or because plans with no discounts attached had lower prices. In this section, we present prices (annual bills) that include guaranteed and conditional discounts attached to market offers.

The bill calculations for rebate customers do not include the value of the electricity rebate ($372.20 in 2023–24) to allow comparisons with the actual underlying prices. [121]

6.5.1 Bills by assistance category

Table 6.5 summarises the average standing offer and market offer bills for the 3 residential tariffs and tariff combinations by the 7 assistance categories in the December quarter of 2023.[122]

Table 6.5: Average annual bills by tariff/tariff combination and assistance category, December quarter 2023

Tariff/tariff combination, by assistance category	Standing offer ($)	Market offer ($)
Hardship only		
Flat rate	1,775	1,578
Flat rate with controlled load super economy	2,080	1,872
Flat rate with controlled load economy	2,072	1,862
Electricity rebate only		
Flat rate	1,763	1,739
Flat rate with controlled load super economy	2,104	2,046
Flat rate with controlled load economy	2,221	2,040
HEEAS only		
Flat rate	1,655	1,817
Flat rate with controlled load super economy	n/a	1,851
Flat rate with controlled load economy	1,908	2,149
Hardship and rebate		
Flat rate	1,787	1,536
Flat rate with controlled load super economy	2,072	1,804
Flat rate with controlled load economy	2,065	1,799
Hardship and HEEAS support		
Flat rate	1,655	1,656
Flat rate with controlled load super economy	2,070	1,961
Flat rate with controlled load economy	1,988	1,934
Electricity rebate and HEEAS support		
Flat rate	1,704	1,729
Flat rate with controlled load super economy	2,263	1,957
Flat rate with controlled load economy	2,068	2,000

[121] Queensland Government, *Electricity and gas rebates*, Queensland Government website, 2023, viewed 30 October 2024.
[122] Appendix D includes the distribution of bills for customers in these assistance categories.

Tariff/tariff combination, by assistance category	Standing offer ($)	Market offer ($)
Hardship, electricity rebate and HEEAS support		
Flat rate	1,689	1,605
Flat rate with controlled load super economy	n/a	1,862
Flat rate with controlled load economy	2,068	1,876

Note: n/a means that no retailer reported having any assisted customers in this category.
Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

For reference, Table 6.6 shows the average standing and market offer bills based on offers available to residential customers on Energy Made Easy in the December quarter of 2023. These bills indicate what the typical SEQ customer would have paid if they had taken up the offers that were available during the quarter.[123]

Table 6.6: Bills for a typical residential customer in SEQ, December quarter 2023

Tariff/tariff combination	Standing offer ($)	Market offer ($)		
		Average	Lowest	Highest
Flat rate	1,782	1,656	1,573	1,757
Flat rate with controlled load super economy	2,078	1,944	1,845	2,063
Flat rate with controlled load economy	2,059	1,926	1,827	2,043

Sources: Energy Made Easy; QCA analysis.

When we compare the average bills of assisted customers (Table 6.5) with the bills based on the plans that were available on Energy Made Easy in the December quarter of 2023 (Table 6.6), we make the following observations:

- The average standing offer bills of assisted customers were:
  - lower for flat rate customers than the average standing offer bills based on plans available in the December quarter ($7 to $127 lower), except for customers in the hardship and rebate category, which were $5 higher
  - higher for flat rate with controlled load super economy customers than the average standing offer bills based on plans available in the December quarter ($2 to $185 higher)[124], except for customers in the hardship and rebate, and the hardship and HEEAS support categories, which were $6 and $8 lower respectively
  - higher for flat rate with controlled load economy customers than the average standing offer bills based on plans available in the December quarter ($6 to $162 higher), except for customers in the HEEAS only, and the hardship and HEEAS support categories, which were $151 and $71 lower respectively.
- The average market offer bills of assisted customers were:
  - lower for hardship and rebate customers than the average lowest market offer bills based on plans available in the December quarter ($28 to $41 lower)
  - higher for all the other assistance categories than the average lowest market offer bills based on plans available in the December quarter ($5 to $322 higher).

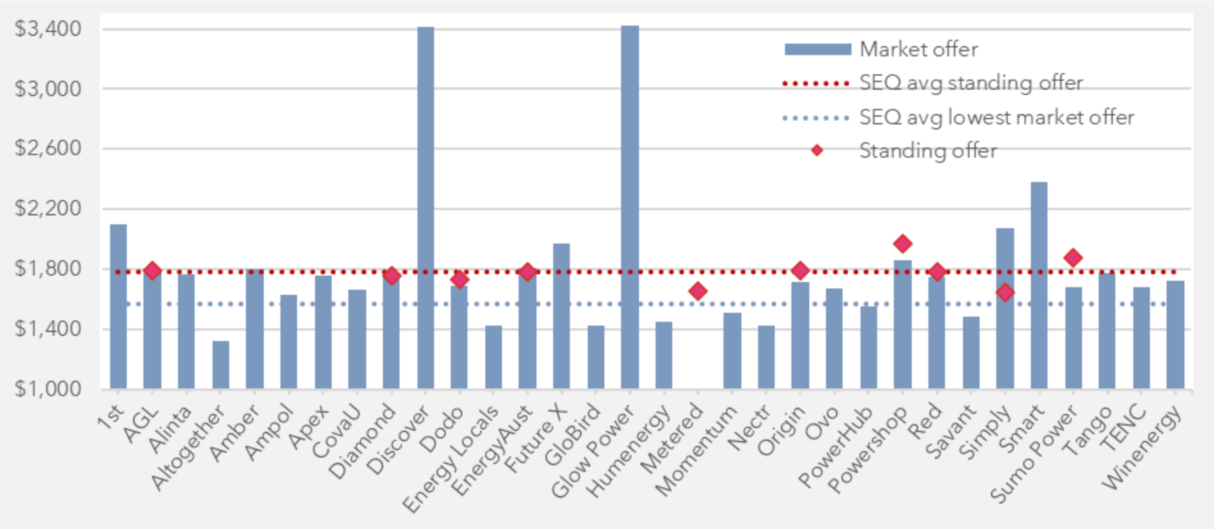
Our analysis suggests that customers in various assistance categories could have saved money by switching to one of the cheaper plans that were available in the December quarter of 2023.

[123] For more information on bills, by retailer, in the December quarter of 2023, see Appendix A.
[124] There were no assisted customers in the following 2 'flat rate with controlled load super economy' assistance categories: HEEAS only; and hardship, electricity rebate and HEEAS support.

6.5.2 Bills by retailer

Figure 6.1 shows, by retailer, average standing and market offer bills in the December quarter of 2023 across all assistance categories for assisted residential flat rate customers.[125]

Figure 6.1: Average annual bills for assisted customers – residential flat rate by retailer, December 2023



Note: Bills are based on the consumption of a typical SEQ customer (Table 2.1). Retailers that did not report any assisted customers are not included in this figure.
Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

When comparing bills for assisted customers on a residential flat rate tariff with the corresponding bills based on plans available in the December quarter of 2023, we observed that:

- of the 10 retailers with assisted customers on a standing offer, 6 retailers' plans resulted in a higher bill than the average standing offer bill ($1,782) for a typical SEQ customer (with all bills ranging between $1,646 and $1,971)
- compared to the average lowest market offer bill ($1,573), 23 retailers' plans for assisted customers resulted in market offer bills that were higher (with all 31 retailers' bills ranging between $1,327 and $3,418).[126]

Figure 6.2 compares the average market offer bills of assisted customers, by retailer, to the market offer(s) that their respective retailer had available in the December quarter of 2023. Based on the usage level of the typical SEQ customer, most assisted customers were on market offers that resulted in higher bills than the cheapest market offer their retailer had available, and some were higher than the most expensive market offer their retailer had available.

[125] The bills, by retailer, for assisted customers on residential flat rate with controlled load super economy and residential flat rate with controlled load economy are included in Appendix D.
[126] A table with each retailer's average bills is provided in Appendix D as Table D1.

Figure 6.2: Average bills of assisted customers compared to available market offers – residential flat rate by retailer, December 2023

Notes: Bills are based on the consumption of a typical SEQ customer (Table 2.1). The figure does not include retailers that either did not report any assisted customers or reported assisted customers but did not have market offers available on Energy Made Easy in the December quarter of 2023.
Sources: Retailers' responses to the QCA's information notice (unpublished); Energy Made Easy; QCA analysis.

6.5.3 Trends in standing and market offer prices paid

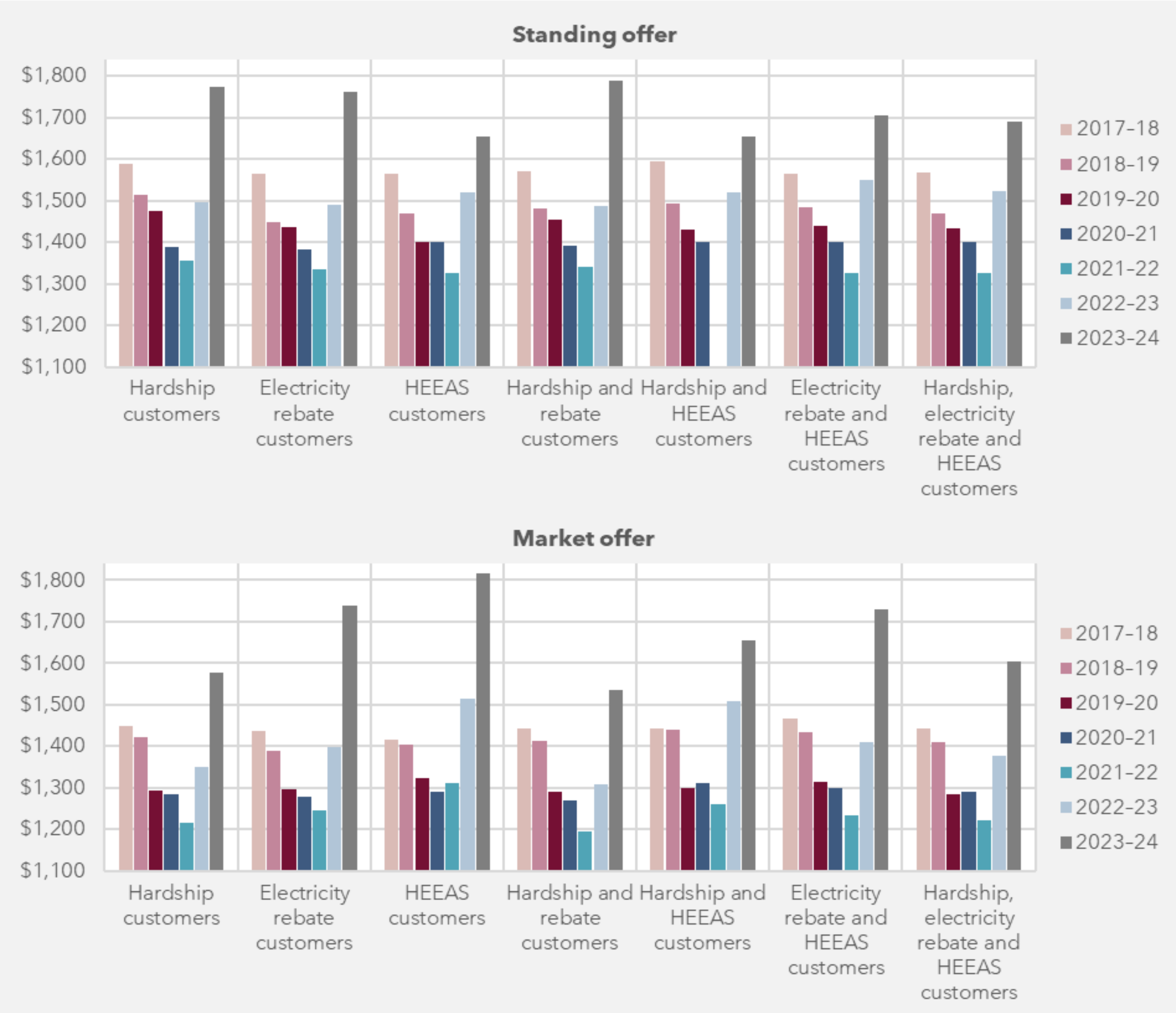
Our trend analysis is based on the plans that assisted customers were contracted to each year. We calculated annual bills based on these plans, using the consumption of the typical SEQ customer (Table 2.1) to enable a direct comparison to the bills in chapter 2 and appendix A. Additionally, we have recalculated the last 6 years of bill information consistent with the consumption of the typical SEQ customer to allow changes in price to be observed over time. By recalculating all the bills with the same consumption level, we can ensure that any changes in bills we observe reflect changes in prices only and are not distorted by changes in consumption over time.

It is important to keep in mind that the number of customers in some of the assistance categories is relatively low, which means that a few higher or lower offers can have a significant impact on the average bills. Bills are presented in nominal dollars.

Figure 6.3 shows average standing and market offer bills for assisted customers on residential flat rate plans between 2017–18 and 2023–24. It illustrates how prices paid changed over time for each category of customers receiving assistance.[127] In 2023–24, the average prices paid by standing offer customers increased to the highest level in the 7 years of reporting for all assistance categories . The average standing offer prices paid decreased from 2017–18 to 2021–22 for each assistance category,[128] but has trended upwards since then. The same observations apply to the bills for assisted customers on market offers.

[127] Bills are in nominal dollars. The trends in the average standing and market offer bills for assisted customers on residential flat rate with controlled load super economy and residential flat rate with controlled load economy plans are included in Appendix D.
[128] The largest decreases in the average standing offer prices paid occurred in 2018–19, before the DMO was introduced.

Figure 6.3: Average annual bills for assisted customers – residential flat rate, 2017–18 to 2023–24



Notes: Bills are in nominal dollars. For 2019–20 to 2023–24, we included bills from the respective December quarters. No retailer reported having hardship and HEEAS customers on a standing offer for the residential flat rate tariff in 2021–22.
Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

6.6 Importance of customer engagement

Customers who receive assistance with their bills may benefit from remaining active and engaged in the retail electricity market, even if they face some challenges doing so (see chapter 8). We encourage customers to regularly check the 'better offer' statement on their bill, which shows the best plan their retailer can offer them. There may also be opportunities for retailers to proactively engage with their assisted customers to ensure they are on the best possible plan.[129]

Customers may also check on Energy Made Easy if a better plan is available. Assisted customers should consider if they are benefiting from conditional discounts attached to their plan. A plan without discounts attached may result in a lower bill, especially if customers cannot always meet the discount conditions.

[129] The AER's *Game changer* report sets out measures to ensure consumers receive concessions and retailers automatically place consumers in hardship programs on a better offer, if available (AER, Game changer – A package of reforms to improve outcomes for consumers in energy hardship, 2023, pp 9–10). The AER is also developing a toolkit to help consumer-facing energy businesses identify and engage with consumers experiencing vulnerability (AER, Customer engagement toolkit – Better practices for identifying and supporting consumers experiencing vulnerability [draft for consultation], 2024). Similarly, the ESC is reviewing customer protections in Victoria (ESC, Energy Consumer Reforms [discussion paper], 2024).

7 New retail tariffs and plans

Key findings

Based on our analysis of retail tariff structures and electricity plans in 2023–24, we found that:

- No notable new retail tariffs or plans emerged in the SEQ retail electricity market, but many retailers continued to provide innovative offerings that were introduced in previous years, including plans that combined solar panels and battery storage, electric vehicle plans and plans for virtual power plants.
- There might have been some barriers to new and innovative offerings, including:
  - cost pressures for retailers following the increase and volatility of wholesale costs
  - customers' focus on cheaper plans because of cost-of-living pressures
  - customers' preference for simpler and easy-to-understand plans
  - the uptake of new offerings being limited by the current rate of adoption of smart meters and new technologies.
- New initiatives have been launched to support innovative offerings, including consumer protections that cover new energy services, and the integration of consumer energy resources into the wholesale energy market.

7.1 QCA methodology

To obtain information on the emergence of new types of retail tariff structures and retail electricity plans, we followed the same approach as for our previous annual market monitoring reports. We:

- collected and analysed retail tariff structure and electricity plan information from Energy Made Easy and other sources in each quarter of 2023–24
- invited retailers to provide information on any new retail tariffs and plans in their responses to the information notice we issued them in April 2024.[130]

7.2 Retail tariffs and plans in 2023–24

We did not observe any notable new and/or innovative offerings in 2023–24, but many retailers continued to provide retail tariffs and plans that were introduced in previous years.[131]

Plans combining solar panels and battery storage

Solar and battery plans were commonly available in 2023–24. Many retailers continued to, or began to, offer plans that included specific terms and conditions about solar panels and battery storage, for example, customers had to:

[130] The 'new retail tariffs and plans' section of the information notice was optional, as in previous years.
[131] For an overview of the new retail tariff structures, plans and offerings in 2022–23 and in the years before, see QCA, SEQ retail electricity market monitoring 2022–23, 2023, pp 84–88.

- have a digital meter and battery installed and be on a network time-of-use tariff, or transfer from a flat rate to a time-of-use tariff, for the duration of the plan (AGL)
- be on an eligible network tariff and have a maximum solar installation size of 10 kW (EnergyLocals)
- have a solar PV inverter (between 5 and 10 kW) and an eligible battery (purchased and installed by one of the retailer's preferred installers within 30 calendar days before signing up) (ENGIE)
- enter a 5-year contract or pay out the 'approved system costs' as a lump sum if the contract ended early, with the retailer arranging the installation of a battery at the customer's premise (Nectr).

Electric vehicle plans

Several retailers continued to offer plans in 2023–24 that were designed specifically for owners of electric vehicles (EVs). Some of these plans had substantially lower night rates, included a free electricity period.

Virtual power plant

A virtual power plant (VPP) is a network of connected solar batteries that can be coordinated to provide energy to the grid during times of peak demand. In 2023–24, several retailers continued to offer VPP plans. Most retailers' VPP plans required customers to have a broadband internet connection with an internet modem, a spare ethernet port and Wi-Fi connectivity.[132]

Customer retention plans

Some retailers continued to offer special retention plans (that were not generally available to other customers) to 'save' customers who intended to switch to other retailers.[133]

Partnerships with other organisations

Some retailers continued to partner with other organisations and offer incentives and other benefits through this partnership, including:

- no subscription fee for the first 6 months for new customers banking with Commonwealth Bank and using a Commonwealth Bank credit card or bank account for payments (Amber Electric)
- a 2.5 MWh carbon offset when purchasing an EV charger though BMW (AGL).

Rewards for responding to peaks in demand

Some retailers offered customers rewards (bill credits) to reduce demand during peak-demand events:

- Customers in EnergyAustralia's 'PowerResponse' program who reduced their consumption during peak-demand events earned electricity bill credits of $1 (for reducing usage by any amount), plus $2 for every kWh reduced thereafter.[134]
- Customers in AGL's 'Peak Energy Rewards' program who lowered their usage during peak events earned bill credits of between $5 and $10 depending on the length of the peak demand

[132] Not all of these VPP plans were included on Energy Made Easy as generally available plans.
[133] There was a rule change to speed up customer transfers and remove processes that notify the 'losing' retailer and give the losing retailer time for 'save' activities. The AEMC considered that allowing a retailer time to conduct 'save' activities may undermine retailers' incentive to maintain competitive prices for existing customers and may compound the confusion experienced by the customer in the interim when they are unsure who their electricity provider is (AEMC, *Reducing customers' switching times* [rule determination], 2019, p 1).
[134] EnergyAustralia, *Power Response*, EnergyAustralia website, n.d., viewed 1 November 2024.

event (usually 1–3 hours). To incentivise customers to join this program, AGL offered the chance to be one of 10 customers to win a $1,000 electricity bill credit.[135]

7.3 Barriers to new and innovative offerings

Retailers and customers face several challenges with new types of retail tariffs and plans, which may slow down the emergence and adoption of such offerings.

Higher and volatile wholesale energy costs

Following the increase in wholesale energy costs during the latter part of 2021–22 and in early 2022–23, we observed significant increases in retail electricity prices. A number of retailers exited the market or stopped taking on new customers. The ACCC noted that during periods of high prices and volatility, it is harder for retailers to manage their exposure to volatile spot market prices, which increases the likelihood of retailer failure.[136] Our analysis shows that 11 (smaller) retailers did not have any plans published for small customers in 2023–24 but had plans in 2022–23 (chapter 1). These retailers either exited the market or ceased to actively compete in the SEQ retail electricity market.

The AER noted in late 2024 that although wholesale electricity prices had eased over the past year from the extreme levels of 2022–23, they were highly volatile over 2023–24 and there were also some record peak demand levels that drove up prices in Queensland.[137] It is likely that such instability continued to pose significant challenges for retailers still active in the market, which could have dampened their willingness or capacity to invest in the development and launch of innovative offerings. Instead, many retailers may have redirected their resources and strategies towards price competition, prioritising affordability over innovation. This shift is particularly relevant in light of the cost-of-living pressures facing many consumers, who may be more focused on immediate savings rather than exploring new or unique offerings. As a result, the market could see a trend towards more standardised, price-driven offerings rather than creative or differentiated solutions.

Focus on price

Energy affordability was impacted by substantial increases in average bills in 2022–23 and 2023–24 and wider increases in cost-of-living pressures. It was reported that 82% of Australians were extremely or quite concerned about electricity bills.[138] In line with this, price and affordability remained the top priority for consumers the last time they were looking for an energy offer, with 75% of customers focused on price.[139]

These results suggest that many customers may have tried to find the cheapest available plan, instead of exploring new tariff offerings or plans. Retailers may have responded to (or even anticipated) this increased focus on price and concentrated their competitive efforts on price instead of innovation. We note that market offer bills decreased between the September quarter of 2023 and the June quarter of 2024 (appendix A).

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[135] AGL, _Peak Energy Rewards_, AGL website, n.d., viewed 25 October 2024. AGL reported 40% year-on-year growth on customers joining its Peak Demand Response Scheme in 2023–24 (AGL, response to QCA information notice (unpublished)).
[136] ACCC, _Inquiry into the National Electricity Market_, November 2022, p 2.
[137] AER, _State of the energy market 2024_, 2024, pp 1, 5, 14.
[138] Results from SEC Newgate's *Mood of the Nation* report for August 2023, cited in AER, _State of the energy market 2023_, 2023, p 7.
[139] 'Lowest price' was the most important factor (75%), followed by Australian ownership of the retailer (25%) (Energy Consumers Australia, _Better energy offers are available. So why aren't consumers choosing them?_, 26 March 2024, Energy Consumers Australia website, viewed 28 October 2024).

Preference for simplicity

New and innovative offerings can be challenging for customers to compare, which may hinder their adoption. As a result, some retailers may consider opting for simpler plans to enhance clarity and accessibility. EnergyAustralia's managing director noted that 'the goal of simplicity was paramount' and revealed that EnergyAustralia was part of a group (which included a number of network companies) that was exploring 'fundamental changes to the way electricity is priced'. One concept under consideration is aligning energy pricing with models used by phone and insurance providers, which often utilise flat monthly fees.[140]

Adoption of new technologies

The reliance on smart meters and battery storage for many innovative offerings poses a barrier for SEQ customers, where a large number still use accumulation meters, and the costs associated with batteries remain high. As a result, the uptake of innovative offerings is likely to remain low.

This also impacts retailers, as the incentives for them to develop and market plans that require smart meter data and battery storage may diminish if a significant portion of their customer base lacks the necessary technology. Without a strong market for these innovative solutions, retailers might focus their efforts elsewhere, potentially stifling further innovation in the sector.

We also note that not all retailers offered plans in 2023–24 that reflected, at least to some degree, the underlying structure of the cost-reflective Energex network tariffs, such as retail demand tariffs. As the rollout of smart meters progresses, this barrier may decrease, and more retailers may offer cost-reflective retail tariffs as well as other innovative offerings that are currently not available to the majority of SEQ customers who have an accumulation meter.

7.4 Initiatives to support innovative offerings

Households and small businesses have access to an increasing range of energy services to help them manage their energy use, store energy and export electricity to the grid. Many of these services are more complex than traditional retail electricity services.

Consumer protections

Effective consumer protection frameworks can help build consumer trust and confidence, which promotes the uptake of, and innovation in, such services.[141] Existing consumer protections focus on traditional energy services. However, new energy services – including VPPs, aggregation services and home energy management – will have an increasingly important role in supporting the grid through the energy transition.[142]

In 2022, the AER initiated a review of consumer protections for future energy services. The AER concluded that the current regulatory framework was not fit for purpose due to the potential risks posed by new energy products and services – many of these risks were unlikely to be addressed by

[140] D. Mercer, 'Claims complex power prices 'all pain, no gain' spark calls for tariff rethink', *ABC news*, 28 August 2024, viewed 28 August 2024.
[141] AER, *Review of consumer protections for future energy services* [final advice report], November 2023, pp 1–2. Potential risks include contracts, information provision, performance of services, control of assets, payment difficulty, dispute resolution and conduct of service providers.
[142] AER, *Review of consumer protections for future energy services* [final advice], AER website, 23 November 2023, viewed 14 June 2024.

the current framework and consumer protections in the National Energy Customer Framework (NECF).[143]

In 2023, the AER recommended reforming the NECF accordingly. The AER also noted that effective consumer protections would support the wider uptake of these new services, driving further innovation and realising the significant benefits that they bring to the transition.[144]

Integration of VPPs and similar resources

The consumer energy resources (CER) roadmap[145] provides a strategic framework for integrating consumer-owned energy technologies into the National Electricity Market (NEM), including VPPs and similar resources. This integration is vital for realising potential cost savings and enhancing overall system efficiency.

Recent AEMC reviews and determinations highlight several key initiatives as part of a broader suite of reforms aimed at supporting the energy transition and unlocking the full potential of CER for the benefit of all consumers.[146] These initiatives include an assessment of regulatory frameworks to facilitate and incentivise consumer participation in CER, the development of new market mechanisms and the establishment of standards to ensure interoperability among various technologies. Together, these efforts aim to create a more flexible energy market capable of accommodating an increasing volume of renewable energy resources.

In the long term, addressing these critical areas will facilitate the transition and integration of VPPs and other resources into the energy market and support the broader shift toward a low-emission energy system, while also empowering consumers to take a more active role in the energy market.

[143] AER, *Review of consumer protections for future energy services*, AER website, n.d., viewed 14 June 2024.
[144] AER, *Review of consumer protections for future energy services* [final advice], AER website, 23 November 2023, viewed 14 June 2024.
[145] For more information on the CER roadmap, see Australian Government, *Energy Ministers agree to the National Consumer Energy Resources (CER) Roadmap*, Department of Climate Change, Energy, the Environment and Water website, 19 July 2024, viewed 11 November 2024.
[146] AEMC, *AEMC launches major review to shape consumer-centric pricing*, AEMC website, 25 July 2024, viewed 4 November 2024.

8 Market competitiveness

Key findings

Our assessment of key market indicators suggests that the outcomes we observed in the SEQ retail electricity market in 2023–24 were broadly consistent with a competitive market. In particular:

- Market rivalry between retailers continued.
  - Many retailers continued to compete on price (including through financial incentives and/or discounts, rather than new and/or innovative offerings).
  - Switching between retailers continued at a similar level to the previous year.
  - Market concentration decreased, especially in the residential market.
  - The number of retailers with market offers increased.
- Prices increased less than forecast costs.
  - In a competitive market, changes in underlying costs should be reflected in prices. Average market offer prices (bills) moved roughly in line with the costs we estimated in most years until 2022–23.
  - Average market offer bills were lower than the costs we estimated for 2023–24.
- The spread of prices in the market increased.
  - Price differences between plans are expected to accelerate competition as they provide an incentive for customers to shop around.
  - The spread between the average standing offer bill and the average lowest market offer bill increased substantially during 2023–24.
- But some customers were inactive or disengaged, and market complexity remained.
  - Some customers may choose to be inactive or disengaged (e.g. not to regularly switch retailers or plans), but for others it may not be a choice – they find the market complex or they do not have sufficient knowledge of the market.
  - A number of challenges that are likely to add complexity for customers continued to be present in the market in 2023–24.
  - Customers experiencing vulnerability may face additional challenges due to language barriers, cultural issues, disability, low levels of numeracy and literacy and lack of internet access.

8.1 QCA methodology

We assessed the competitiveness of the SEQ retail electricity market using the following key market indicators:

- the extent of market rivalry between retailers (section 8.2)
- the movement of prices and costs (section 8.3)
- the spread of prices available in the market (section 8.4)
- the apparent inactivity or disengagement of some customers (section 8.5)
- the complexity of the market (section 8.6).

These market indicators allow us to gain insights into the competitiveness of the SEQ retail electricity market. The development of market outcomes and indicators should be considered over time, rather than over a single year. Furthermore, all the market indicators should be interpreted in conjunction, as no single indicator can independently show whether the market is competitive and provides good outcomes for customers.

We recommend that stakeholders also refer to the ACCC's and the AER's regular market reviews to gain further insights into the operation and competitiveness of retail electricity markets in the NEM, including in SEQ.[147]

8.2 Extent of market rivalry

The extent of market rivalry refers to the intensity of competition among retailers operating in the market. This rivalry can impact customer outcomes through pricing, service offerings, innovation and overall customer experience. To assess the extent of rivalry between retailers, we consider whether:

- the outcomes related to bills (chapter 2 and appendix A) as well as discounts, savings and incentives (chapter 3) demonstrate that retailers were competing on price by adjusting their plans in response to the plans of other retailers
- there were new retail tariffs and plans (chapter 7) that suggest that retailers were using new and innovative offerings to compete for customers
- customers were active and engaged in the market
- market shares and market concentration have changed over time, in particular due to customers switching retailers, presumably in search of a better plan and/or better service
- the number of retailers competing for customers has increased or decreased over time.

8.2.1 Price competition

One of the most direct indicators of market rivalry is pricing. Competitive markets typically see retailers offering competitive prices and promotions (such as discounts or incentives) to attract and retain customers.

Most retailers did not have a market offer available in the June quarter of 2024 that was cheaper than their cheapest plan a year before. However, despite higher prices, we observed a wide range of prices for each of the tariffs and tariff combinations in 2023–24 (chapter 2 and appendix A). As not all retailers increased their prices to the same extent, customers could still find a cheaper plan in 2023–24 if they shopped around.

More retailers attached discounts to their plans in the June quarter of 2024 than in the June quarter of 2023 (chapter 3). However, the number of retailers offering discounts is still lower than it was a few years ago. Changes to the regulation of discounting (discussed in section 3.3) may have influenced retailers' decision to attach discounts. In particular, we did not observe very high conditional discounts anymore, which were common a few years ago, when retailers competed on price predominantly by using headline discounts.[148]

More retailers attached financial incentives to their plans in the June quarter of 2024 than a year before. Financial incentives can lower a customer's bill significantly, although they are often only

[147] These reviews include the ACCC's ongoing inquiry into the NEM and the AER's annual retail markets report and state of the energy market report (ACCC, *Electricity market monitoring inquiry 2018–2025*, ACCC website, n.d., viewed 8 November 2024; AER, *Retail performance reporting* and *State of the energy market reports*, AER website, n.d., viewed 23 October 2024).
[148] QCA, *SEQ retail electricity market monitoring: 2017–18* [updated report], 2019, chapters 2, 5 and 9 (section 9.3.1).

one-off incentives when a customer takes up the plan. Such incentives are often very prominent in retailers' advertisements, which may induce customers to switch and thereby increase competition.

In the June quarter of 2024, the cheapest market offer for most residential and small business tariffs and tariff combinations that we cover in this report did not have the lowest supply or usage charges. Instead, the cheapest market offer usually had a discount and/or a financial incentive attached (such as a sign-up credit) that made them the cheapest (chapter 2).

8.2.2 Competition on innovative tariffs and service offerings

Retailers can also compete on non-price aspects of their offerings. Retailers may, for example, provide clear and simple plans that are easy to understand, have only a few plans that are easy to compare, offer a selection of payment options, have multilingual customer service representatives, invest in overall customer experience, offer incentives or reward programs, provide convenience through the option of bundling energy plans with non-energy products, or allow customers to reduce carbon emissions though GreenPower.

Competitive markets provide incentives for retailers to innovate and tailor products and services to meet their customers' preferences and needs. Related products and services that lower the costs of electricity supply, improve user experience, or provide other benefits to consumers are a potential source of innovation in the retail electricity market,[149] and an additional way for retailers to compete. Some customers may even pay more if a specific plan fits their needs and preferences.

No notable new retail tariffs or plans emerged in the SEQ retail electricity market in 2023–24, but many retailers continued to provide innovative offerings that were introduced in previous years (chapter 7). Retailers also continued to offer retail plans that were based, at least to some extent, on the cost-reflective network tariffs, although these plans were still not as widespread as the more traditional plans, such as flat rate plans (chapter 9).

Retailers' incentives to provide more innovative offerings are expected to increase as more customers obtain a smart meter.[150] Smart meters offer the potential for greater innovation in retail electricity supply, including more options to reduce electricity usage costs and provide more accurate billing.[151]

Competition on non-financial incentives also continued. In contrast to financial incentives, non-financial incentives do not reduce a customer's bill, but they can still provide benefits to customers and help attract customers. In 2023–24, almost half of the retailers attached non-financial incentives to at least one of their residential flat rate market offers. Retailers also continued to partner with other organisations to provide incentives to customers in 2023–24 (chapters 3 and 7).[152]

Retailers also continued to offer plans with different contract durations ('no lock-in' contracts, 1- or 2-year contracts or ongoing contracts), a choice of payment and billing options (monthly or quarterly bills), or prices that may vary or are fixed for a certain time. This indicates that retailers continued to provide different plans that aim to meet customers' needs and preferences.

While product differentiation and different innovative products can add value to customers, they can also potentially add some complexity, especially when the plans are not substantially different.

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149 AEMC, *2019 Retail Energy Competition Review* [final report], 2019, p 148.
150 IPART, *Monitoring the NSW electricity retail market 2020–21* [draft report], 2021, p 18.
151 QCA, *Benefits of advanced digital metering* [ministerial advice], 2019, pp iii–iv.
152 The ACCC had previously observed that retailers were spending more on customer loyalty programs (non-price product add-ons). It noted that 'non-price competition reflects retailers targeting consumers with specified preferences, appealing to consumers' need for convenience and generally promoting a culture of retailer membership' (ACCC, *Inquiry into the National Electricity Market*, November 2021, p 40).

As such, the market may be 'characterised by a relatively large volume of superficially differentiated offers',[153] which can make searching the market more difficult, and it does not empower consumers, reduce market complexity or enhance affordability. Meanwhile, the 'small number of more differentiated offers' often included complex tariff structures that did not seem to be attractive to consumers.[154]

8.2.3 Switching rate

In a competitive market, customers are expected to be active and engaged in the market. The switching rate is one indicator of customer activity and engagement – and thus of competition.[155] If the market is competitive, we would generally expect engaged and well-informed customers to switch as new plans become available that are sufficiently cheaper and/or better suit their needs.

Customers can either switch to a better plan of their current retailer or to another retailer. However, data is only available on customers switching to another retailer, as retailers do not have to report on customers switching to another plan. If retailers deliver good-quality, well-priced services in a competitive market, customers may not see any reason to switch retailers and instead decide to stay on their current plan or change plans with the same retailer. In this situation, customers would still be engaging with the market but this would not be reflected in publicly available switching data.[156]

After retail electricity prices were deregulated in SEQ in mid-2016, the share of customers switching retailers increased (Figure 8.1). Switching activity started to rise substantially in mid-2017, with the introduction of plans that had high discounts attached and the launch of initiatives to encourage customer engagement. The switching rate peaked in 2018.[157] Switching rates declined substantially after that and have generally remained below 5% since.

There was a significant increase in switching activity in the June quarter of 2022 after retail electricity prices rose steeply (driven by large increases in wholesale energy costs). In 2023–24, we observed further, but smaller spikes in the switching rate (above 5%) in the September quarter of 2023 and the June quarter of 2024. These spikes could have been in response to price increases and widespread media reporting about electricity prices (particularly during July and August 2023).[158] However, the switching rate did not reach the level of switching seen in 2017 and 2018, or in the June quarter of 2022.

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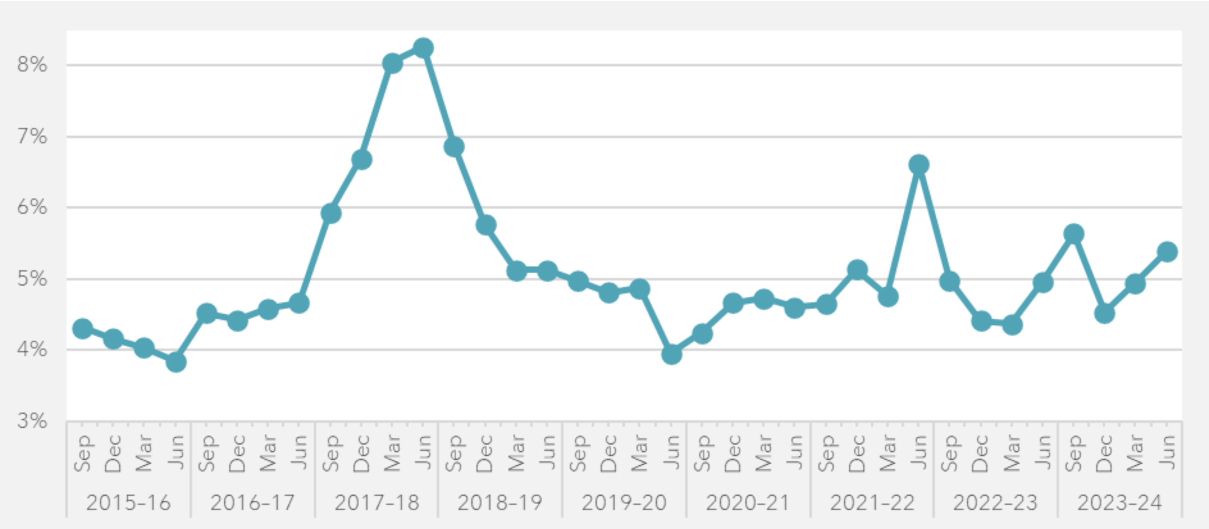
[153] ESC, *Victorian Energy Market Report*, March 2022, p 20.
[154] ESC, *Victorian Energy Market Report*, March 2022, p 10.
[155] The switching rate as a measure of consumer engagement is discussed in more detail in A O'Keefe and D Wong, 'Money left on the table or rational inertia? Consumer engagement in Victoria's retail electricity sector', *Victoria's Economic Bulletin*, vol 3, April 2019, p 3.
[156] AER, *State of the energy market 2024*, 2024, p 280. Conversely, existing customers who sign a new contract when they move house are included in the switching data, which overstates customer activity.
[157] AER, *State of the energy market 2021*, 2021, p 15.
[158] ACCC, *Inquiry into the National Electricity Market*, December 2023, p 24.

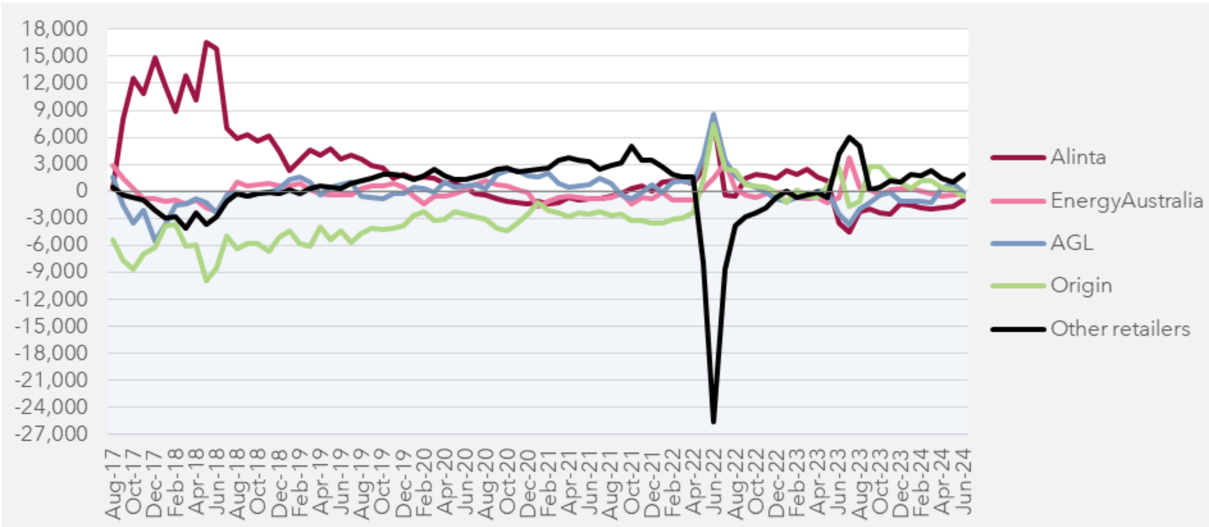
Figure 8.1: Switching rate in SEQ by quarter, 2015–16 to 2023–24



Notes: Quarterly switching rates are not annualised. The switching rate in the June quarter of 2024 is based on AER customer numbers for the March quarter of 2024 (data for the June quarter of 2024 was not available at the time we finalised our report). We removed customer transfer data that was a result of acquisitions, as this switching activity was not initiated by a customer (e.g. transfers of Click Energy customers to AGL in April 2021 and Powerdirect customers to AGL in October 2022).
Sources: Retail Transfer Statistical Data (monthly data) provided by the Australian Energy Market Operator (AEMO); AER, *Retail performance reporting*, AER website, n.d., viewed 4 October 2024; QCA analysis.

Another indicator of competitive rivalry can be customer switching activity between retailers. Figure 8.2 shows net customer transfers – that is, a retailer's customer gains minus its customer losses. A negative value means that the retailer lost more customers to other retailers than it gained, while a positive value indicates that the retailer had a net customer gain. The larger retailers are shown individually, while the remaining smaller retailers are combined as 'other retailers'.

Figure 8.2: Monthly net customer transfers in SEQ, August 2017 to June 2024



Notes: A net customer transfer is defined as customer gains minus customer losses during the same period of time. We removed customer transfer data that was a result of acquisitions, as this switching activity was not initiated by a customer (e.g. transfers of Click Energy customers to AGL in April 2021 and Powerdirect customers to AGL in October 2022). The category 'other retailers' includes all the other retailers not separately shown in this figure.
Sources: Retail Transfer Statistical Data (monthly data) provided by AEMO; QCA analysis.

In 2023–24, there were sustained net customer gains for the smaller retailers (summarised as 'other retailers' in Figure 8.2) – these retailers had net customer gains in each month over this period for a combined total net gain of over 24,000 customers. This followed substantial net customer losses from the smaller retailers (particularly in the June quarter of 2022) after the significant increases in wholesale energy costs and the 2022 market events.[159]

The outcomes for the larger retailers were mixed in 2023–24. AGL and Alinta Energy each had a combined total net customer loss in 2023–24 (recording net customer losses in most months), while EnergyAustralia and Origin Energy each had a combined total net customer gain over that period, albeit less than the gain for the smaller retailers. This indicates that smaller retailers have become more competitive again.

Although we observed regular switching activity over time, we acknowledge that some customers may not switch for various reasons. Some customers may find it hard to compare different plans and determine which plan is best based on their current circumstances and consumption, particularly if there is complexity in the retail electricity market (see section 8.6). There are also costs and barriers to switching, including transaction costs (time and effort, as well as actual costs such as disconnection/reconnection fees), a bias towards the status quo and fears of being worse off after switching.[160]

Some retailers also try to stop customers from leaving and offer special retention plans (that are not generally available to other customers) to 'save' customers before the switching process is finalised.[161] One of the smaller retailers noted that such 'win-back' practices 'continue to put the brakes on the improved competition that's benefiting many consumers every day but could be benefitting even more.'[162] A rule change request to stop retailers from offering 'save' or 'win-back' plans to prevent customers from switching (submitted to the AEMC in early 2022) was still pending in late 2024.[163]

8.2.4 Market shares and market concentration

In a competitive market, competitors challenge the market position of the incumbents and try to gain some market share from them. Accordingly, we would expect to see a reduction in larger retailers' market shares and a decrease in market concentration over time if the market is competitive. In the following sections, we analyse how market shares changed over time and how this impacted on market concentration in the SEQ retail electricity market.[164]

Market shares

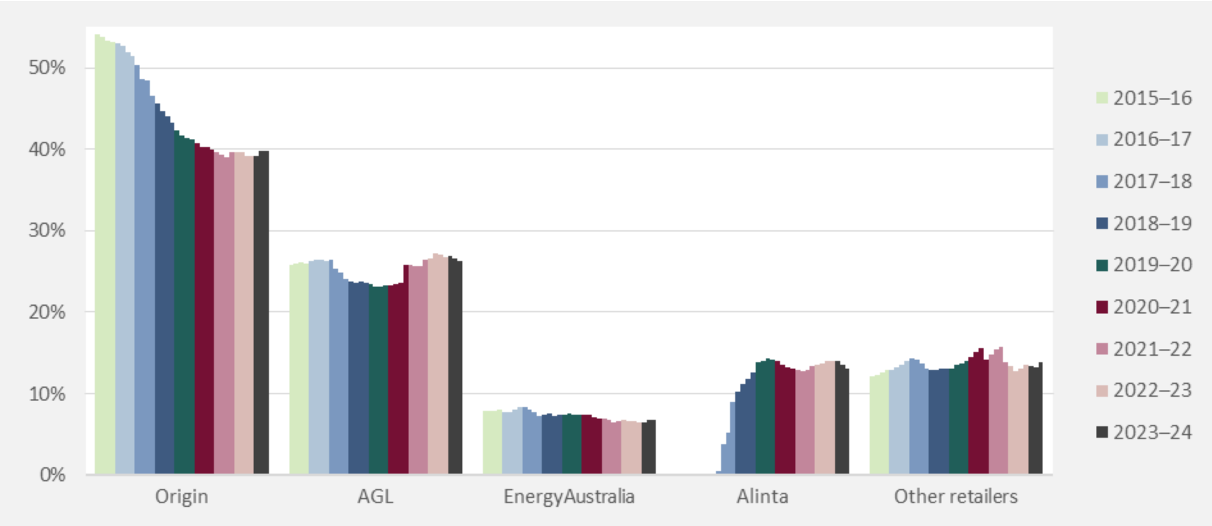
Figure 8.3 shows the market shares of the retailers operating in the SEQ retail electricity market from 2015–16 to 2023–24. It shows that the largest incumbent – Origin Energy – lost market share over time. So did AGL – the second-largest retailer – until the last quarter of 2020–21, when its market share rose again following its acquisition of the Click Energy Group, which operated Amaysim Energy and Click Energy. Nonetheless, the combined market share of these 2 largest retailers decreased

[159] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 97–98.
[160] Behavioural Economics Team of the Australian Government (BETA), *Improving energy bills: final report* [prepared for the Australian Energy Regulator], 2021, p 49.
[161] The AEMC made a final rule in December 2019 to speed up the process of transferring customers to a new retailer (AEMC, *Reducing customers' switching times* [rule determination], 2019). Nonetheless, we again found a number of retention plans on Energy Made Easy in 2023–24, which suggests that this practice is continuing.
[162] ReAmped Energy, *Why we're campaigning to end customer win-back offers*, 15 February 2022, ReAmped Energy website, n.d., viewed 5 October 2022.
[163] AEMC, *Preventing retailers making retention offers to switching customers*, AEMC website, n.d., viewed 6 December 2024.
[164] The analysis in this chapter is largely based on our own calculations using data from the AER. It is important to take the following advice from the AER into account when interpreting the analysis and drawing conclusions: (1) AGL advised the AER of 'significant errors' with the information it had provided that impacted on many reporting metrics over 2017–18. The AER stated that although AGL resubmitted a complete data set for 2017–18, AGL indicated that previous years' data may still be inaccurate (AER, *Retail energy market performance update for Quarter 2, 2017–18*, AER website, 2018, viewed 12 October 2021); (2) EnergyAustralia resubmitted customer numbers across a range of categories, for all jurisdictions, in November 2019. The AER noted that these numbers varied by up to 15% from those originally submitted (AER, *Annual retail markets report 2018–19*, 2019, p 15).

from about 80% to 66% between the September quarter of 2015 and the March quarter of 2024. This market share was primarily captured by Alinta Energy and some other (smaller) retailers.

The 3 largest retailers – AGL, Alinta Energy and Origin Energy – had a combined market share of about 80% in the March quarter of 2024. While other (smaller) retailers increased their market share over time, they lost market share in late 2021–22 and 2022–23. Rising wholesale energy costs disproportionally affected some of these smaller retailers, several of which encouraged their customers to switch to another retailer or have since exited the market .

Figure 8.3: Retailers' market shares in SEQ by quarter, 2015–16 to 2023–24



Notes: Market shares based on customer numbers collated by the AER (residential and small business customer numbers combined). The figure includes separate market shares for each quarter. Data for the June quarter of 2024 was not available yet at the time we finalised this report.
Sources: AER, *Retail performance reporting*, AER website, viewed 4 October 2024; historical data provided by the AER; QCA analysis.

In 2023–24, the combined market share of the other (smaller) retailers increased. However, their market share has yet to return to the peak achieved in the March quarter of 2022 (some 16%), prior to the significant increases in wholesale energy costs. In terms of the larger retailers, Origin Energy increased its market share in 2023–24 and remains the dominant retailer in SEQ. AGL and Alinta Energy lost market share in 2023–24 but retain their respective positions as the second- and third-largest retailers in SEQ by market share.

These changes in market share are reflected in the net transfers of customers throughout 2023–24 (Figure 8.2). As set out in previous reports, we consider that the market shares and the changes we observed are not, in themselves, inconsistent with a competitive retail electricity market, particularly where it is apparent that retailers were competing with each other.

Market concentration

Competitive markets tend to have a low level of market concentration. In line with the changes in retailers' market shares illustrated above, market concentration in the SEQ retail electricity market – measured by the Herfindahl-Hirschman Index (HHI)[165] for both the residential and small business

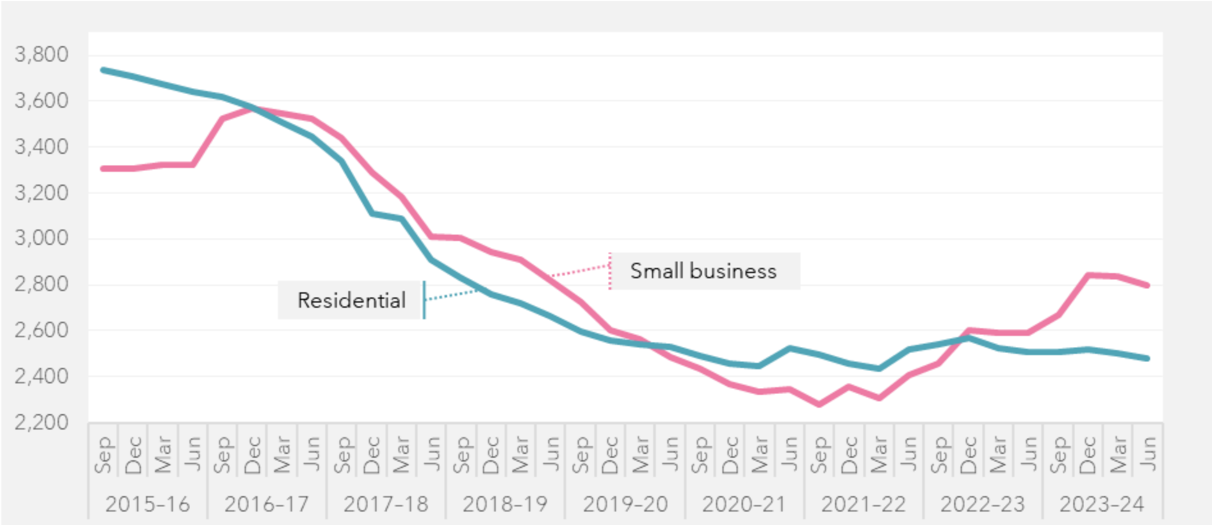
[165] The HHI is a commonly used measure of market concentration, which is calculated by summing the squares of the market shares of all firms competing in a market. A market that has a single firm (i.e. a monopoly) has a HHI of 10,000 (100 × 100), while a theoretically perfectly competitive market has a HHI approaching zero (AEMC, *2018 Retail Energy Competition Review* [final report], 2018, p 25; AEMC, *2019 Retail Energy Competition Review* [final report], 2019, p 33; AEMC, *2020 Retail Energy Competition Review* [final report], 2020, p 28). The ACCC takes the HHI into account as part of an overall assessment of a merger between 2 firms. In its merger guidelines, the ACCC stated that it is generally less likely to identify horizontal competition concerns with a merger if the post-merger HHI is below 2,000 (ACCC, *Merger Guidelines* [amended

customer markets – generally decreased from the second half of 2016–17 until 2021–22 (Figure 8.4). The decrease in the HHI suggests that competition was gradually developing and intensifying in the SEQ retail electricity market over time.

However, in 2021–22 and 2022–23 there was an increase in the HHI for both the residential and small business customer markets after several retailers exited the market and some customers switched from smaller to larger retailers (Figure 8.2). The residential HHI has gradually declined since the December quarter of 2022, while the small business HHI continued to increase until 2023–24, before slightly decreasing in the second half of 2023–24.

While the small business HHI remains elevated compared to previous years, we still observed retailers competing on price. As such, we do not consider that the HHI in 2023–24 is inconsistent with a competitive retail electricity market.

Figure 8.4: Herfindahl-Hirschman Index – SEQ retail electricity market, 2015-16 to 2023-24



Notes: The index is based on residential and small business customer numbers collated by the AER. Data for the June quarter of 2024 was not available yet at the time we finalised this report.
Sources: AER, *Retail performance reporting*, AER website, n.d., viewed 21 October 2024; historical data provided by the AER; QCA analysis.

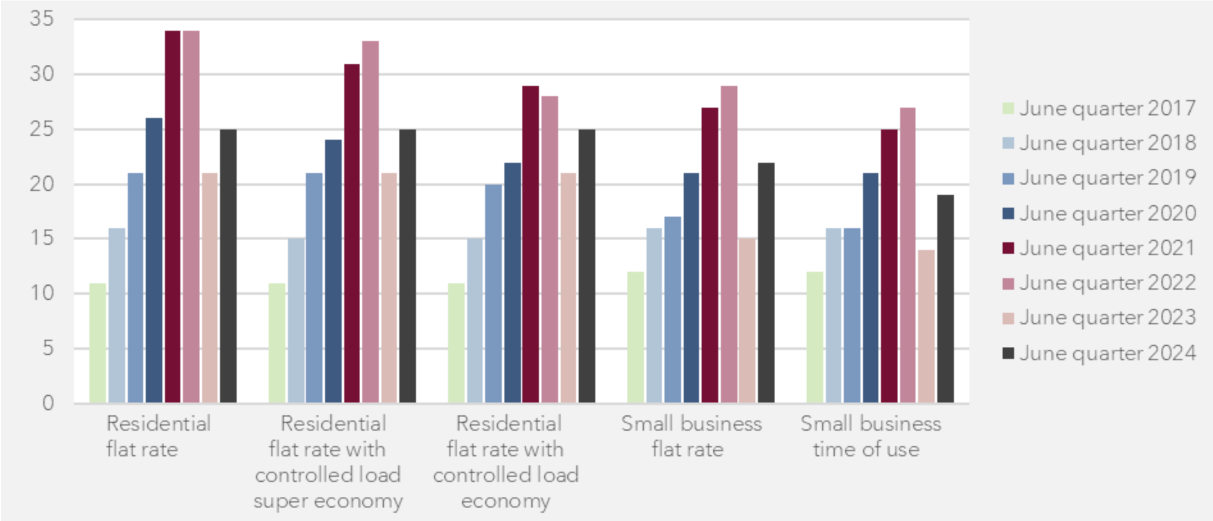
8.2.5 Number of retailers

The number of retailers with at least one market offer available to SEQ customers increased substantially from the June quarter of 2017 to the June quarter of 2022 for each of the 5 tariffs and tariff combinations we cover in this report. Their number decreased significantly by the June quarter of 2023 but increased again by the June quarter of 2024 (Figure 8.5).[166]

November 2017], 2008, pp 34–35). The AEMC concluded that this threshold could therefore be interpreted as 'one indication of a workably competitive market' (AEMC, *2019 Retail Energy Competition Review* [final report], 2019, p 36).

[166] Under the National Energy Retail Law, retailers must hold a retailer authorisation (unless exempt from the requirement) before they can sell electricity to customers. Some authorised retailers are publishing electricity plans under their own name and under a different retail 'brand', which does not have an authorisation in its own right. The plans of the authorised retailer and those of its retail brand(s) are often substantially different in terms of price and/or other features. We therefore count a retail 'brand' as an additional retailer.

Figure 8.5: Number of retailers with generally available market offers for customers in SEQ, June quarters of 2017 to 2024



Sources: QCA, *SEQ market monitoring*, QCA website, 2024.

The number of retailers with market offers increased for each of the 5 tariffs and tariff combinations between the June quarters of 2023 and 2024 (chapter 2). However, overall, the number of retailers active in the SEQ retail electricity market decreased because there were fewer retailers offering standing offers in 2023–24. Given that retailers primarily use market offers to compete, we consider that the number of retailers with market offers is more relevant in terms of assessing competition.

The AER noted that the growth in the number of alternative (smaller) retailers supports effective retail competition. That number grew strongly from 2016 and remained relatively stable throughout 2022. Since 2022, smaller retailers have been reporting that it was harder to manage exposure to volatile wholesale energy costs. The AER considered that this volatility may subdue interest from new market entrants until wholesale prices stabilise.[167] In 2023–24, no new retailer entered the SEQ retail electricity market, although 2 retailers had rebranded and still (as of June quarter of 2024) had plans published under their old and new names.[168]

With more retailers, customers have more choice, but this can also add complexity and costs. For example, a larger number of retailers may increase costs for customers (search costs) and retailers (acquisition and retention costs), and create costs to the energy industry overall (transfer costs):

- search costs – a larger number of retailers could add complexity for customers trying to compare retailers and offers, and thereby reduce customers' willingness to engage with the market. Finding the best deal or shopping around could be further complicated, as retailers' plans can vary significantly and 'hundreds of retail offers' may be available at any one time[169]
- acquisition and retention costs – these costs tend to be higher in jurisdictions with high switching rates, even though the costs should (in theory) be offset by reduced retailer profit margins that decrease in a competitive environment; however, there is a risk that competition may increase energy bills for customers if the costs of competing outweigh the competition benefits from efficiency and innovation[170]
- transfer costs – systems need to be established and maintained to facilitate the transfer of customers between retailers in a timely and smooth manner.

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[167] AER, *State of the energy market 2024*, 2024, p 271.
[168] Simply Energy rebranded to ENGIE in April 2024, and Tango Energy Pty Ltd changed its legal name to Pacific Blue Retail Pty Ltd in April 2023 (for more information, see section 1.5).
[169] AER, *State of the energy market 2023*, 2023, p 220.
[170] AER, *State of the energy market 2023*, 2023, p 222; AER, *State of the energy market 2024*, 2024, p 244.

8.3 Movement of prices and costs

In a competitive retail electricity market, we expect changes in retail prices to broadly reflect changes in the underlying costs, which include network costs, energy costs and retail costs. As these costs make up a substantial part of a customer's bill, an increase in prices (bills) may result when the underlying costs increase. By the same token, we would expect to see decreases in the underlying costs translate into lower prices (bills) if there is sufficient competition.

8.3.1 Cost build-up for notified prices

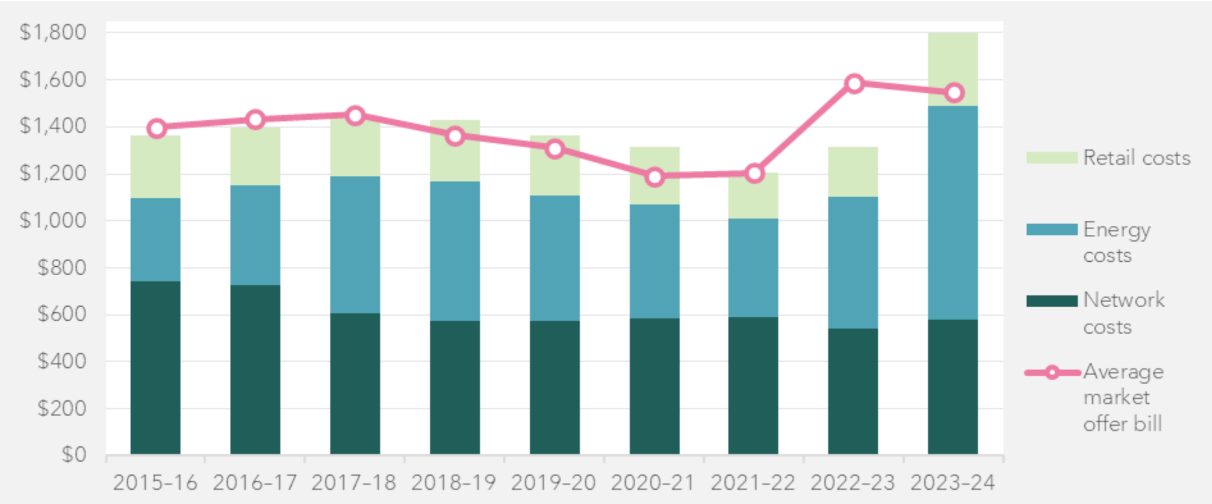
Separate from our monitoring of the SEQ retail electricity market, we set regulated ('notified') prices in regional Queensland each year. In accordance with the Queensland Government's uniform tariff policy, we set electricity prices for residential and small business customers in regional Queensland based on the estimated costs of supplying small customers in SEQ.[171]

In a competitive market, we would expect prices to broadly move in line with changes in the underlying costs. While an in-depth assessment of retailers' actual costs is outside the scope of this report, we can gain some indicative views of how costs have developed over time compared to prices, using the cost components that we estimated and applied in the cost build-up methodology for the determination of notified prices in regional Queensland.

To compare prices and costs in SEQ, we used the estimated costs for residential and small business flat rate tariffs as a proxy for the actual costs retailers incurred.[172] We grouped the cost components we used in our determinations of notified prices in regional Queensland for 2015–16 to 2023–24 ('build-up of prices') into 3 categories[173] – network costs, energy costs and retail costs – and then calculated the annual costs using the consumption levels of a typical SEQ residential or small business flat rate customer (see chapter 2, Table 2.1). We then calculated average SEQ market offer bills to compare with the estimated costs (see Figures 8.6 and 8.7).

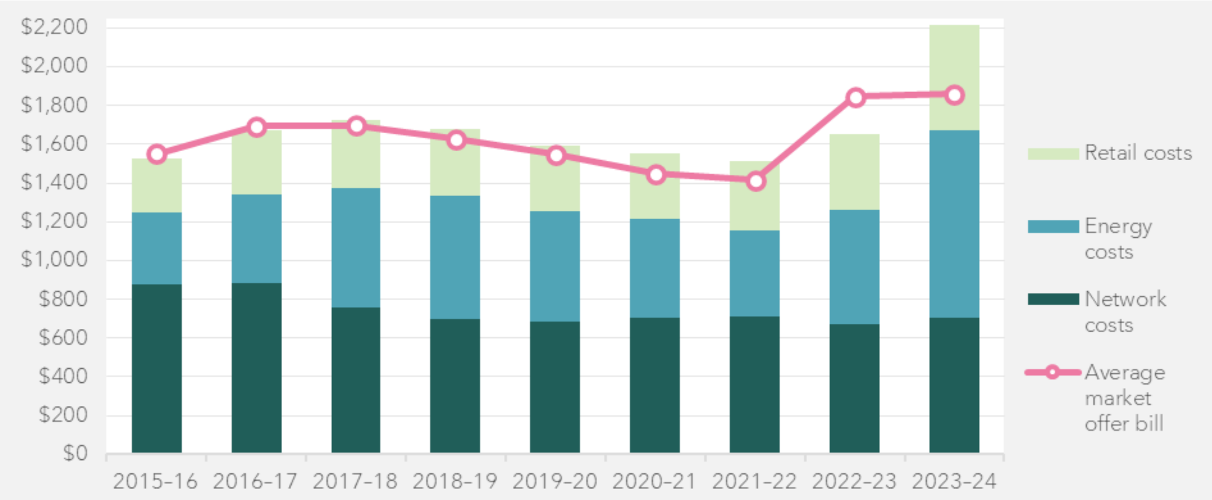
[171] See, for example, QCA, *Regulated retail electricity prices for 2023–24* [final determination], 2023, pp 8–10.
[172] We do not have access to retailers' actual costs in 2023–24 (nor in previous years). We consider the ACCC is best placed to compare and report on how actual costs impact on prices in SEQ, given the ACCC's information-gathering powers.
[173] QCA, *Regional electricity prices*, QCA website, 2024. For our analysis, we included costs related to the small-scale renewable energy scheme cost pass-through in retail costs and excluded the standing offer adjustment component of notified prices.

Figure 8.6: Annual bills versus estimated costs – residential flat rate, 2015-16 to 2023-24



Notes: Costs are estimates only and not actual costs retailers incurred. Annual costs and bills (in nominal dollars) include GST.
Sources: QCA, *Regional electricity prices*, QCA website, 2024; Energy Made Easy; QCA analysis.

Figure 8.7: Annual bills versus estimated costs – small business flat rate, 2015-16 to 2023-24



Notes: Costs are estimates only and not actual costs retailers incurred. Annual costs and bills (in nominal dollars) include GST.
Sources: QCA, *Regional electricity prices*, QCA website, 2024; Energy Made Easy; QCA analysis.

Figure 8.6 and Figure 8.7 indicate that the average market offer prices for residential and small business flat rate customers (expressed as annual bills) moved roughly in line with the costs we estimated in most years until 2022–23. We note that:

- In 2022–23, average market offer bills in SEQ increased more steeply than the costs we had estimated for our final determination of notified prices for 2022–23 (published in May 2022). This was due to that determination not fully reflecting increased wholesale energy costs faced by retailers that resulted from the volatility and uncertainty in the NEM in late 2021–22 and 2022–23. In contrast to notified prices (which cannot change during the year), retailers in SEQ could increase the prices of their market offers to reflect the increased wholesale energy costs.[174]
- In 2023–24, the estimated costs increased significantly, while the average market offer bill for residential and small business flat rate customers remained relatively flat compared to 2022–23 and were lower than the estimated costs. The estimated costs increased mainly due to increased wholesale energy costs, although higher network and retail costs also contributed.[175]

[174] For further information on this, see QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 104–105.
[175] QCA, *Regulated retail electricity prices for 2023–24*, 2023, pp 6–7.

However, it is important to be cautious when applying the estimated costs to any assessment of prices in the deregulated SEQ market, for the following reasons:

- Our pricing decisions for regional Queensland reflect our best estimate of costs based on the information available to us at the time of each determination; actual costs may be higher or lower than our estimate.[176] In addition, our decisions do not reflect differences in costs between retailers[177] or account for differences in the costs of supplying products with different attributes.
- We monitor annual bills (including discounts and incentives) for a typical SEQ customer based on plans that were generally available in a particular year, whereas it is the prices customers actually pay over time that enable retailers to recover their costs.
- Retailers use different pricing strategies to recover their costs, which can result in a wide range of prices in the market. For example, prices in a competitive market may vary to reflect the willingness to pay of different groups of customers. This may result in retailers increasing prices for less price-sensitive customers by a bigger amount than prices for more price-sensitive customers. Further, some retailers in SEQ use discounts and financial incentives to decrease prices for some of their customers. Retailers might also adjust the price components (such as supply and usage charges) to target high- or low-consumption customers. Comparing changes in regulated and market prices on the basis of 'typical consumption' can therefore be misleading.
- We changed our approach to assessing retail costs for residential and small business customers in the 2016–17 pricing decision to a benchmarking approach, using market offers available in several NEM jurisdictions.[178]

8.3.2 ACCC analysis of prices and costs

As part of its ongoing inquiry into the NEM, the ACCC monitors, among other things:

- retail prices, including the level and spread of electricity offers; how wholesale prices influence retail prices; and whether any wholesale cost savings are passed through to customers
- wholesale market prices
- profits made by generators and retailers
- contract market liquidity.[179]

The ACCC collects cost data directly from retailers by using its information-gathering powers, given that actual retailer cost data is not otherwise publicly available. We consider that the ACCC is better placed than any other government agency, regulatory body or industry stakeholder to analyse the extent to which retail electricity prices move with actual costs in SEQ because of the scope and ongoing nature of the ACCC's inquiry, and the information gathering-powers available to the ACCC under section 95ZK of the *Competition and Consumer Act 2010* (Cth).

The ACCC's latest detailed information about the cost stacks of retailers across the NEM is for 2022–23. The ACCC reported an increase in the average retailer cost stacks across the NEM for residential and small business customers, which was attributable to the increases in wholesale

[176] We generally make our final determination on notified prices to apply in the following financial year in May/June each year, taking into account the most current information available at the time. The final determination for 2023–24 considered market data up until 10 May 2023 to estimate wholesale energy costs.
[177] For instance, retailers use a variety of strategies to manage the volatility of electricity spot prices, which may differ from the market hedging approach we use in our pricing decisions. In addition to the market hedging approach (which involves purchasing financial derivatives), other hedging strategies include entering into long-term power purchase agreements with electricity generators and investing in electricity generation. Some retailers, particularly large retailers, are vertically integrated and own generation assets or are aligned with an electricity generation business. Vertical integration allows retailers/generators to insure internally against price risk in the wholesale market, which reduces their need to participate in hedge (contract) markets (AER, *State of the energy market 2023*, 2023, pp 70–71).
[178] QCA, *Regulated retail electricity prices for 2016–17* [final determination], 2016, pp 24–40.
[179] ACCC, *Electricity market monitoring inquiry 2018–2025*, ACCC website, n.d., viewed 25 October 2024.

electricity costs in response to energy market events.[180] Looking at SEQ, the ACCC's 2022–23 cost stack data showed that network costs, wholesale electricity costs and the cost of complying with environmental schemes made up about 86% of the average residential customer's bill.[181]

In addition to its regular analysis of costs and bills, the ACCC monitors and enforces compliance with the rules in the Competition and Consumer Act on electricity market misconduct that could harm competition in electricity markets. Among other things, these rules require retailers to pass on sustained and substantial reductions in their costs of procuring electricity to consumers by lowering their market offer prices.[182]

8.4 Spread of prices in the market

In competitive markets, firms may use a market segmentation strategy to compete for customers. This can include charging higher prices to customers who are less price-sensitive and/or less active in the market, to be able to compete for more price-sensitive and/or more active customers with lower prices – examples include lower movie ticket prices for students and pensioners, and varying prices for customers booking hotel rooms or airline tickets. Such price discrimination enhances overall consumer welfare, as the lower prices approach marginal cost, and output increases relative to a situation with a single average price that applies to all customers. Price discrimination in retail markets is generally considered to be welfare-enhancing.[183]

Price differences can accelerate competition, as they provide an incentive for customers to shop around, given the potential savings that can be realised. A range of prices may also reflect the variation in service and product offerings, and the different price strategies retailers use to recover their costs.[184] In the long run, a decrease in price dispersion would therefore likely result in lower customer engagement and a reduction in the share of active customers, which could in turn lead to less competition in the market.[185]

We consider price dispersion to be an expected outcome in the SEQ retail electricity market, as retailers try to attract new and price-sensitive customers with lower market offers, while earning more from customers that are not engaged or less active in the market and/or are less price-sensitive and remain on more expensive market or standing offers.[186] A range of offers gives customers the opportunity to find the ideal plan for their circumstances, including their individual consumption.

To assess the extent of the spread of prices, or price dispersion, in the SEQ retail electricity market we use annual bills. As in previous years, we calculate the spread as the difference between the average standing offer bill and the average lowest market offer bill for the typical SEQ customer on

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180 ACCC, *Inquiry into the National Electricity Market*, December 2023, pp 29–32.

181 ACCC, *Inquiry into the National Electricity Market [Appendix C – Supplementary Excel spreadsheet with cost stack data and charts]*, December 2023, supplementary table C4.1B.

182 ACCC, *Electricity market misconduct regulation*, ACCC website, n.d., viewed 18 October 2024; ACCC, *Guidelines on Part XICA – Prohibited conduct in the energy market*, 2020. Part XICA of the Competition and Consumer Act was introduced by the *Treasury Laws Amendment (Prohibiting Energy Market Misconduct) Act 2019*.

183 T Nelson, E McCracken-Hewson, P Whish-Wilson and S Bashir, 'Price dispersion in Australian retail electricity markets', *Energy Economics*, vol. 70, 2018, p 158. However, we acknowledge that many people consider such a pricing strategy as unfair or inappropriate in the case of electricity, because it is an essential service with traditionally little product differentiation (IPART, *Monitoring NSW energy retail markets 2021–22* [draft report], 2022, p 17).

184 IPART, *Monitoring the NSW electricity retail market 2020–21* [final report], 2021, p 2.

185 AEMC, *Advice to COAG Energy Council: Customer and competition impacts of a default offer* [final report], 2018, pp v, viii. Similarly, IPART noted in late 2022 that the difference between retailers' lowest market offer and their standing offer had narrowed significantly, and if this continued, it would likely affect the switching rate patterns going forward (IPART, *Monitoring NSW energy retail markets 2021–22* [final report], 2022, p 55).

186 The Public Interest Advocacy Centre (PIAC) referred to the spread of prices as a 'subsidy' between consumers (PIAC, submission to DISER, *Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019* [Post-Implementation Review], 11 October 2021, p 3).

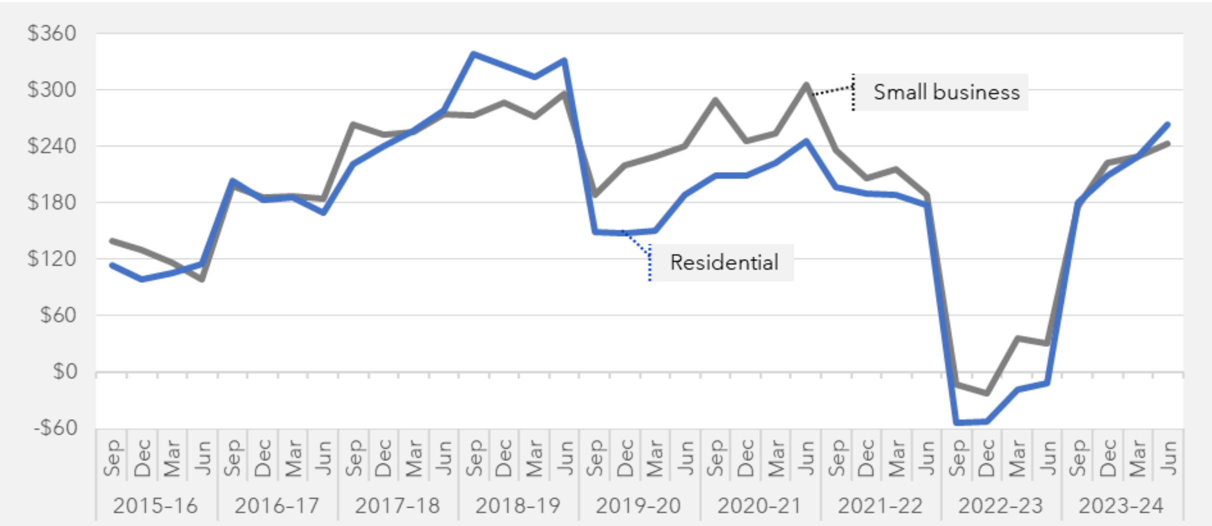
a residential or small business flat rate tariff.[187] Figure 8.8 shows price dispersion in the SEQ retail electricity market since the September quarter of 2015.

Between 2015–16 and 2018–19, price dispersion gradually increased. Following the introduction of the DMO, standing offer bills decreased in the September quarter of 2019, which resulted in a sharp decline in price dispersion. Price dispersion increased again during 2019–20 and 2020–21 as the lowest market offer bills continued to decrease. In 2021–22, price dispersion decreased, as market offer bills started to increase, while increases in standing offer bills were limited by the DMO.

In 2022–23, price dispersion decreased significantly as increased wholesale energy costs started to flow through to market offer prices, whereas standing offer prices remained capped by the DMO that had been set in May 2022. Market offer prices often exceeded standing offer prices in 2022–23, which suggests that some retailers did not compete for customers by discounting their market offer prices relative to the standing offer price (DMO).

In 2023–24, price dispersion increased to similar levels from before 2022–23. Increased wholesale energy costs were still flowing through to the DMO (and leading to higher standing offer prices), while the average lowest market offer decreased slightly in the second half of 2023–24 (appendix A).

Figure 8.8: Price dispersion in the SEQ retail electricity market, 2015–16 to 2023–24



Notes: Price dispersion is the difference between the average standing offer bill and the average lowest market offer bill. The analysis is based on bills for residential and small business flat rate plans. Bills for each quarter since 2015–16 have been recalculated using the consumption levels of the typical SEQ customer and are expressed in nominal dollars (Table 2.1).
Sources: Energy Made Easy; QCA analysis.

It is important to keep in mind that the price dispersion reported in this section compares average standing offer bills and average lowest market offer bills. Basing our analysis on the absolute minimum and maximum bills (the cheapest and the most expensive plans published each quarter) would have resulted in a much wider spread of prices. However, we consider that such an approach could potentially lead to misleading results due to the direct influence of outliers.[188] While the presence of such expensive plans may encourage customers to shop around to save, we consider it unlikely that customers deliberately switch to such plans. The literature shows that the use of advertised prices can lead to an overestimation of price dispersion, as it is likely that not all the higher-priced plans are taken up by customers.[189]

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187 The spread of the other tariffs and tariff combinations we cover in this report was very similar over time.
188 We acknowledge that outliers also impact on average bills, as individual very high bills increase the average.
189 A Ghose and Y Yao, 'Using transaction prices to re-examine price dispersion in electronic markets', *Information Systems Research*, [articles in advance], 1 February 2010, pp 1–2, 20.

8.5 Inactive or disengaged customers

Competition works when consumers can (and do) pick the best plan and switch when a better one becomes available. ACCC analysis indicates that most customers, whether on a standing offer or a market offer, could save by switching to a competitive offer suited to that customer's circumstances.[190] However, evidence – including our own findings – suggests that many customers do not switch retailers regularly. Overall, about 1 in 5 SEQ customers switched retailers over the course of 2023–24, although switching did increase slightly compared to 2022–23 (Figure 8.1).

The low switching rate may, in part, be due to inattention, complexity of information and low levels of trust and confidence.[191] There may also be some customers who are not interested in actively shopping around and switching when a better plan becomes available, because they:

- are willing to pay higher prices, as they value the benefits they receive on their plan (e.g. no late payment fees or the plan being easy to understand)
- feel that the benefits of shopping around do not outweigh the costs (e.g. the time it takes to search, compare and switch)
- are not very price-sensitive
- are, for a range of reasons, vulnerable and require targeted assistance with managing their plan.[192]

Similarly, the Essential Services Commission (ESC) noted in September 2023 that about half of residential customers in Victoria were not on their retailer's best plan, even though retailers are obliged to tell customers on the front page of their bill whether they are on the best energy plan and how much they could save by switching.[193] The ESC provided several reasons for this finding, which are likely to apply to SEQ customers too:

- Some customers do not look at their bill – especially customers who choose to pay their bills automatically via direct debit (who may not check their bill and see the relevant information).
- Bill information can be complex – some customers find it difficult to see and understand the relevant information on their bill and what action to take to switch.
- The cost of switching is perceived to be high – some customers may decide that the potential savings do not outweigh the actual or perceived costs of switching (time, effort and exit fees).
- Energy bills have a low priority for many – research showed that customers' top priorities were mortgage and rent, followed by household essentials and lifestyle expenses (such as food, transportation and entertainment), while energy bills were less of a focus.
- Consumers are risk-averse – some customers may avoid change and prefer a higher expected bill with more certainty over a lower expected bill with more variability.
- There are other excluded benefits – the best plan does not take into account certain incentives and may have conditions attached (e.g. paperless bills or direct debit payment).[194]

Government and regulatory agencies have taken various steps to promote customer engagement and switching. For example, the AER's Better Bills Guideline sets out requirements for information to be presented in electricity bills, which is intended to help customers understand their energy usage

[190] The analysis is based on data from quarter 3 of 2023 (ACCC, *Inquiry into the National Electricity Market*, June 2024, pp 49–53).
[191] Behavioural Insights Team, *Testing comprehension of the reference price* [final report prepared for the AER and ACCC], 2020, p 8.
[192] QCA, *SEQ retail electricity market monitoring 2019–20*, 2020, p 159.
[193] ESC, *Victorian Energy Market Report*, September 2023, pp 6–7. A similar rule came into effect in the rest of the NEM on 30 September 2023. An amendment to the AER's Better Bills Guideline requires retailers to include a 'better offer' statement on the front page of the bill to let customers know if the retailer can offer a better deal and how to switch plans (AER, *Energy bills simplified for consumers* [news release], 28 September 2023).
[194] ESC, *Victorian Energy Market Report*, September 2023, pp 7–9.

and costs, and to find the best energy deal with their retailer.[195] Despite these efforts, some customers do not engage with the market and will continue to pay more for electricity than they need to. While not switching retailers or plans may be a rational choice for some customers, for other customers, the complexity and the lack of knowledge of the market may prevent them from fully benefiting from competition.

8.6 Complexity of the market

Markets are usually more competitive when they are transparent, offerings are easy to understand and compare, and it is easy to switch between competitors. In the retail electricity market, this means that customers should be able to easily compare plans and at any time switch to the retailer with the plan that best suits their current circumstances. If customers find the process of navigating the market, comparing plans and switching overly complex, competition may not be working as effectively as it should, and customers may not be on the best plan for their circumstances.

We would expect that consumers' confidence in their ability to make the right decisions increases over time as they become more familiar with the market and find it easier to access the right information to make informed decisions. As consumers' confidence in the market increases, they are more likely to engage with that market, which promotes competition and efficient outcomes.[196] For residential customers in Queensland, Energy Consumer Australia's energy consumer sentiment survey for June 2024 found that:

- around 6 out of 10 customers (61%) rated their confidence in the ability to make choices about energy products and services (e.g. which plan or supplier to choose) as positive
- less than half of customers (45%) rated their satisfaction with the level of competition (e.g. range of choices or number of potential suppliers) as positive
- about half of customers (53%) rated their confidence as positive that there was enough easily understood information available (e.g. on the internet, through energy comparison websites or elsewhere) to make decisions about energy products and services.[197]

Energy Consumers Australia found that customers under financial pressure were more likely to have trouble accessing information to help them with energy costs. Compared to the year before, consumers under financial pressure were more likely to indicate that they had considered switching retailers or plans but ultimately decided not to. As a reason for not doing so, these customers were more likely to say it was too confusing, time-consuming or complicated.[198]

While over half of the residential customers in Queensland expressed confidence in their own abilities and in the market, it still means that many customers do not have that same confidence. In fact, it has often been stated in recent years that customers find it challenging to compare numerous retail electricity plans and retailers and choose the best plan. Consumer advocacy groups have also described the retail energy market as a 'confusopoly' – a market where complex offers and contract conditions have failed to facilitate informed choices by consumers.[199]

[195] AER, *Energy bills simplified for consumers* [news release], 28 September 2023.
[196] The AEMC considered consumer protections as an important factor in promoting and maintaining consumer confidence in retail energy markets (AEMC, *Applying the energy market objectives*, 2019, p 9).
[197] Energy Consumers Australia, *Energy Consumer Sentiment Survey* [Topline Data], June 2024. A positive rating means a rating between 7 and 10 (out of 10). The survey results include responses from regional Queensland customers. As such, they may not be fully reflective of the sentiments of SEQ customers.
[198] Energy Consumers Australia, *Energy Consumer Sentiment Survey*, June 2024, p 10.
[199] For example, Energy Consumers Australia, submission to the AEMC, *National Energy Retail Amendment (Regulating conditional discounting) Rule* [consultation paper], 23 September 2019, p 2; and PIAC, submission to the Standing Committee on Economics, *Inquiry into impediments to business investment*, 11 May 2018, p 2.

Although customers still had the potential to save in 2023–24 by switching if a cheaper plan became available (chapter 2), switching rates (section 8.2.3) suggest that many SEQ customers did not switch retailers. The complexity of the market may be a contributing factor in some circumstances. As discussed in our previous price monitoring reports,[200] we consider the following challenges are likely to continue:

- It can be difficult to choose between retailers and plans when there are multiple retailers offering multiple plans that are not always straightforward to compare (given various types of plans, features, restrictions and eligibility criteria).
- While discounts and incentives can provide value for customers, they also add complexity and require customers to evaluate the benefit to them. For example, the savings from a discount on usage charges differ between customers based on their consumption, and financial incentives may only be a one-off to entice customers to switch retailers.
- The variety and complexity of tariff structures may complicate bill comparisons, decrease customers' understanding and lower their engagement. Customers can find it difficult to understand the risks and benefits of different pricing structures.
- While comparison sites can help customers compare electricity plans, these sites generally only compare 'traditional' plans and typically do not provide full bill estimates for newer plans, such as plans with demand tariffs. Accordingly, customers may not get a fulsome comparison of electricity plans from these sites. Commercial comparison sites may also only present the plans of affiliated retailers and therefore not include the cheapest offers in the market.
- Customers experiencing vulnerability may find it more difficult to navigate the market due to issues including language barriers, cultural issues, disability, low levels of numeracy and literacy and lack of internet access. Without targeted assistance, these customers may not be able to engage with, and benefit from, the market and access the best plan for their circumstances.
- Customers may find it difficult to understand information on their electricity bills that could help them compare their current plan to other available plans. This is particularly the case when retailers use complex language or different terminologies to describe charges and other items on a bill. However, the AER's Better Bills Guideline sets out requirements for information to be presented in electricity bills, which is intended to help customers understand their energy usage and costs, and to find the best energy deal with their retailer.

[200] QCA, *SEQ retail electricity market monitoring 2022–23*, 2023, pp 109–114.

9 Significant issues

Key findings

We investigated 2 significant issues in the SEQ retail electricity market in 2023–24:

Customers on legacy market offers

- In 2023, the then Minister responsible for Energy asked us to obtain information from retailers on the number of households and small businesses in SEQ that remain on legacy market offers that are now more expensive than the DMO.
- About one-third of residential and one-fifth of small business market offer customers were on a legacy market offer in the December quarter of 2023 that was covered by the DMO – that is, 439,535 households and 17,567 small business customers. Less than half of these customers (188,920 households and 6,614 small businesses) were on offers above the DMO, even when conditional discounts were not achieved.
- Most legacy customers were on offers without conditional discounts (352,328 households and 15,363 small businesses). Less than one-third of these were on offers that resulted in a bill above the DMO. Similarly, less than one-third of legacy customers were on offers with conditional discounts attached that resulted in a bill above the DMO, provided that the discount was achieved. Almost all customers on offers with conditional discounts were above the DMO if the discount was not achieved.
- Some legacy offers have attributes that are attractive (such as a high solar feed-in tariff). However, active customers are likely to pay less than inactive or disengaged customers, and many legacy customers could lower their bills by switching to one of the new offers available in the market.

Customers on cost-reflective tariffs

- In 2023–24, over 40% of all small customers in SEQ had a smart meter. For these customers, cost-reflective tariffs are the default network tariffs now.
- Some retailers have transferred smart meter customers to a cost-reflective retail tariff, but retailers are not bound by the tariff that a customer was assigned to at the network level and can offer a different retail tariff.
- Cost-reflective tariffs are more complex and more difficult to understand and compare, which has caused some concerns for retailers and consumers. Accordingly, many retailers continue to offer other retail tariffs to smart meter customers.
- Standing offer prices for most cost-reflective tariffs (such as demand tariffs) are not 'capped' like the tariffs covered by the DMO. This also means that customers cannot compare plans using a DMO reference price.
- Additional customer protections have been proposed to improve the customer experiences with retail tariff changes following a smart meter installation, while the rollout of smart meters progresses.

9.1 Customers on legacy market offers

For many customers, choosing an electricity retailer and plan is a 'set and forget' task. Our analysis shows that many SEQ customers do not regularly switch plans or retailers (sections 8.2.3 and 8.5). This may, in part, be due to inattention, complexity of information and low levels of trust and confidence. The ACCC suggested that retailers compete when they acquire new customers but are not incentivised to keep prices for existing customers competitive.[201] As a result, customers who do not regularly engage with the market pay higher prices.[202]

In this section, we look at the households and small businesses in SEQ remaining on legacy market offers (legacy offers) that are now above the DMO and the average bill values paid by these customers.[203] We also discuss possible reasons why customers remain on legacy offers – even if they are (or appear to be) more expensive than the DMO.

9.1.1 Minister's request

In December 2023, the Minister requested that we ask retailers to provide the number of households and small businesses in SEQ remaining on legacy offers that are now above the DMO, and that we include this information in future market monitoring reports. The Minister noted that there was a gap in information regarding disengaged customers who remain on legacy offers that have increased over time above the DMO.[204]

9.1.2 Our approach

For our analysis, we defined legacy offers as plans that were not available to new customers in 2023–24 – that is, plans that were closed to new customers before 1 July 2023. We selected this cut-off date as it allows us to compare the DMO prices in 2023–24, which applied from 1 July 2023, to the prices of plans that were available before 2023–24.[205]

Information on which plans SEQ customers are on, and the prices they pay, is not publicly available. We therefore issued an information notice to each retailer in SEQ with at least one residential and/or small business market offer customer.

We asked retailers to calculate legacy market offer bills (legacy bills) for all tariffs and tariff combinations covered by the DMO. Retailers were instructed to calculate legacy bills in the same manner as new market offer bills are calculated for price comparisons with the relevant 2023–24 Energex DMO reference bill. In particular, we asked retailers to provide:

- the total number of customers on legacy offers (legacy customers) as at 31 December 2023
- the number of legacy customers whose bill (based on the DMO annual usage) was higher than the 2023–24 Energex DMO reference bill
- the average amount the bills exceeded the respective DMO reference price.

[201] The ACCC considered that 'retailers recoup their costs over a customer's lifetime, by setting attractively low acquisition offers and making subsequent unilateral price increases for their existing customer base over time' (ACCC, *Inquiry into the National Electricity Market*, December 2023, pp 9, 68–73).
[202] The ACCC analysed the prices paid by over 5 million residential flat rate customers across the NEM, and found that, as at August 2023, 64% of customers on legacy offers were paying bills equal to or higher than the DMO reference price (ACCC, *Inquiry into the National Electricity Market*, December 2023, pp 68–73, 118).
[203] Our analysis is based on the DMO consumption levels.
[204] The Minister's letter is available on our website at SEQ retail electricity market monitoring.
[205] We note that the Minister did not define the term 'legacy market offer', and there is no formal definition for it in this context. The ACCC classified plans as 'older plans' (plans that existed as at 1 August 2022 and 1 August 2023) and 'newer plans' (plans that existed since 1 August 2023) (ACCC, *Inquiry into the National Electricity Market*, December 2023, p 68).

For plans with a conditional discount attached, we asked retailers to calculate an annual bill twice – once assuming the discount was achieved, and once assuming the discount was not achieved.

It is important to keep in mind that not all residential and small business tariffs and tariff combinations are covered by the DMO. The AER is only required to set DMO prices for:

- residential customers on flat rate or time-of-use tariffs
- residential customers with controlled load
- small business customers on flat rate tariffs.

Table 9.1 shows the annual usage and DMO reference bill values the AER set for 2023-24 for the Energex distribution network, which we asked retailers to use in order to calculate bills and compare those bills to the DMO reference bill.

Table 9.1: 2023–24 Energex DMO – annual usage and reference bills

	Residential tariffs			Small business tariffs
	Flat rate	Flat rate + controlled load	Time-of-use	Flat rate
Annual usage (general usage)	4,613 kWh	4,412 kWh	4,613 kWh	10,027 kWh
Annual usage (controlled load usage)	–	1,905 kWh	–	–
Annual reference bill (incl. GST)	$1,969	$2,363	$1,969	$4,202

Source: AER, *Default market offer prices 2023–24* [final determination], 2023, p 6.

Customers on other tariffs – such as tariffs with a demand charge, small business controlled load and time-of-use tariffs, and tariffs offered in embedded networks – are not covered by the DMO.[206] This means, we did not have any basis for comparison for customers on legacy offers whose tariff is not covered by the DMO, and legacy customers on other tariffs are not included in our analysis.

It is also important to note that some customers may be on a higher-priced offer that is not considered to be a legacy offer – that is, offers that were still available after 1 July 2023 and are therefore not categorised as legacy offers. For example, our analysis shows that retailers offered a range of market offers in the June quarter of 2024, including some plans that resulted in high bills.

9.1.3 Customer numbers

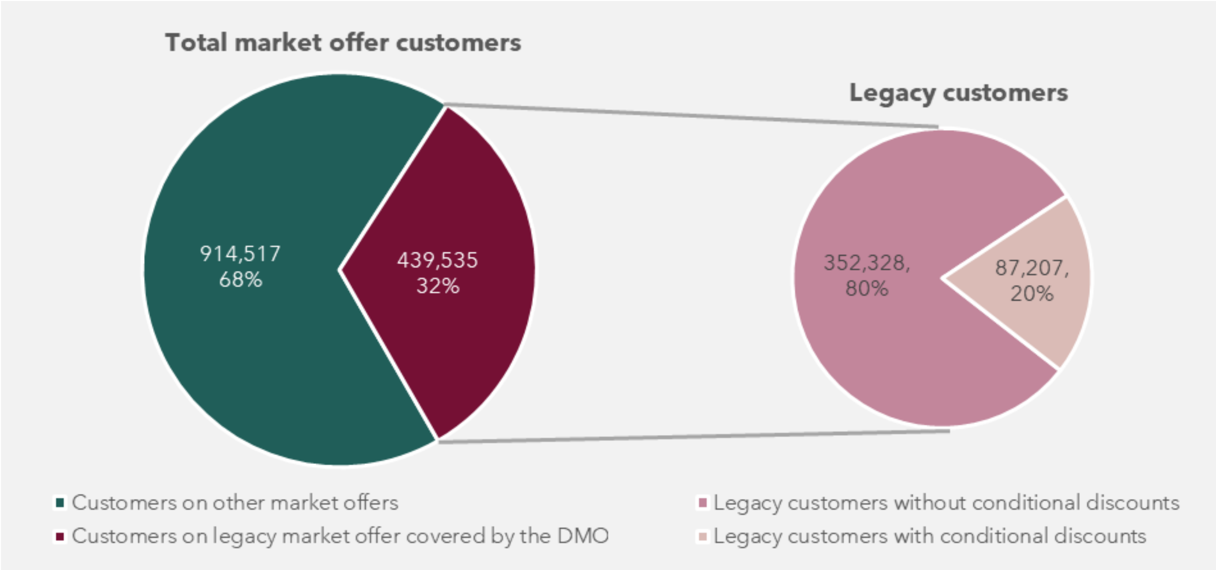
As at 31 December 2023, 40 retailers had at least one residential market offer customer in SEQ and 34 retailers had at least one small business market offer customer in SEQ. In total, there were 1,354,052 residential customers and 93,939 small business customers in SEQ who were on a market offer in the December quarter of 2023.[207]

Residential customers

Eighteen of the 40 retailers with residential customers in SEQ indicated that they had customers on a legacy offer covered by the DMO, and 11 of the 18 had at least one customer on a legacy offer higher than the 2023–24 DMO reference bill. Overall, less than one-third of the market offer customers were on a legacy offer in the December quarter of 2023 (Figure 9.1). A vast majority of these customers were on a plan without a conditional discount (some 80%), while legacy offers with a conditional discount attached were less common (some 20%).

[206] AER, *Default market offer prices 2023–24* [final determination], 2023, p 10.
[207] AER, *Retail energy market performance update for Quarter 2, 2023–24* [schedule 2], 2024, viewed 19 August 2024.

Figure 9.1: Residential customers on legacy market offers, December quarter 2023

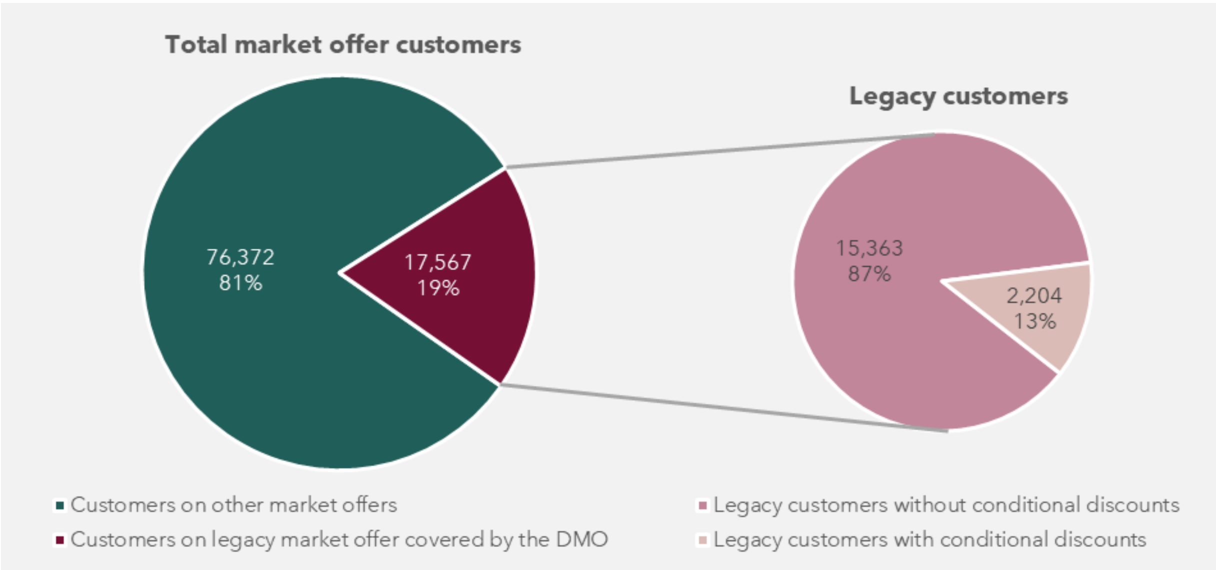


Sources: Retailers' responses to the QCA's information notice (unpublished); AER, *Retail energy market performance update for Quarter 2, 2023–24* [schedule 2], 2024, viewed 2 October 2024; QCA analysis.

Small business customers

Sixteen of the 34 retailers with small business customers in SEQ indicated that they had customers on a legacy offer covered by the DMO, and 11 of the 16 had at least one customer on a legacy offer higher than the 2023–24 DMO reference bill. Overall, less than one-fifth of the market offer customers were on a legacy offer in the December quarter of 2023 (Figure 9.2). A vast majority of these customers were on a plan without a conditional discount (some 87%), while legacy offers with a conditional discount attached were less common (some 13%).

Figure 9.2: Small business customers on legacy market offers, December quarter 2023



Sources: Retailers' responses to the QCA's information notice (unpublished); AER, *Retail energy market performance update for Quarter 2, 2023–24* [schedule 2], 2024, viewed 2 October 2024; QCA analysis.

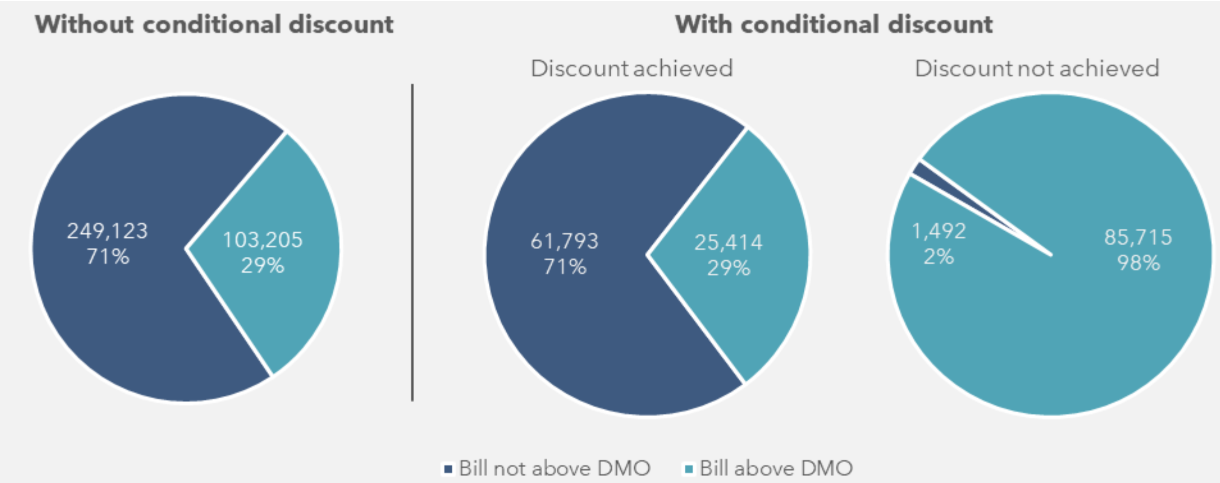
9.1.4 Customer bills

We asked retailers to calculate legacy market offer bills in the same manner as bills are calculated for price comparisons with the 2023–24 Energex DMO reference bills, and to provide the average amount legacy market offer bills were above the equivalent DMO for each tariff or tariff combination.

Bill outcomes of legacy customers

The data retailers provided to us suggests that most legacy customers on plans without conditional discounts, or on plans where a conditional discount was achieved, would have had bills lower than the equivalent DMO. If a discount was attached to the plan, and it was not achieved, the bill for almost all customers was above the DMO. Figures 9.3 and 9.4 provide a breakdown of residential and small business legacy bill outcomes, including the percentage of bills that are above the DMO.

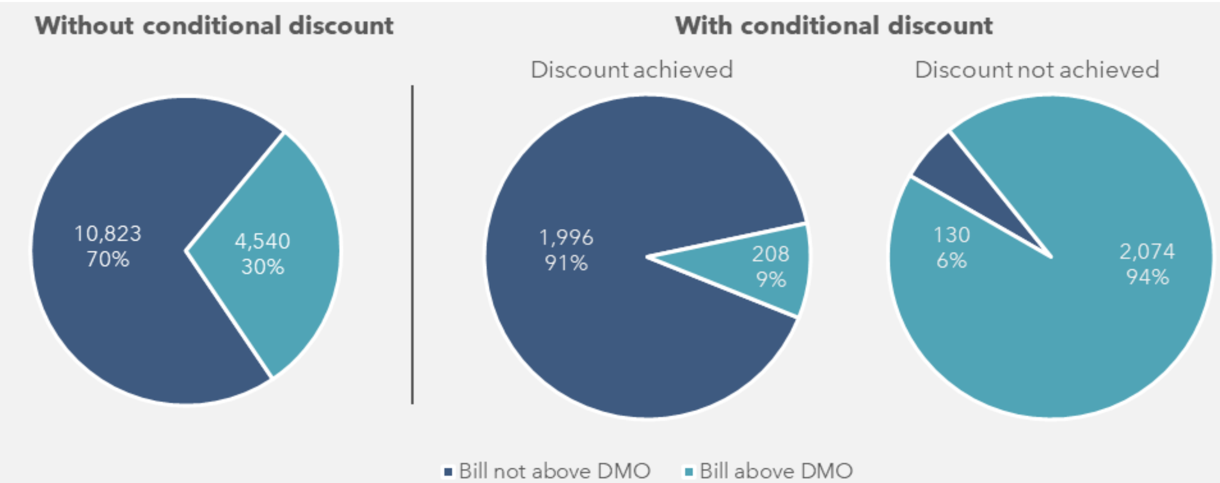
Figure 9.3: Legacy bills – residential customers, December quarter 2023



Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

Of the 352,328 residential legacy customers on plans without conditional discounts attached, less than one-third (29%) were on plans that resulted in a bill above the DMO bill. Similarly, less than one-third of legacy customers were on plans with conditional discounts attached that resulted in a bill above the DMO bill, provided that the discount was achieved. If the discount was not achieved, the bill for almost all customers (98%) was above the DMO.

Figure 9.4: Legacy bills – small business customers, December quarter 2023



Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

Of the 15,363 small business legacy customers on plans without conditional discounts attached, less than one-third (30%) were on plans that resulted in a bill above the DMO bill. And less than one-tenth of customers were on plans with conditional discounts attached that resulted in a bill above the DMO bill, provided that the discount was achieved. If the discount was not achieved, the bill for almost all customers (94%) was above the DMO.

Our analysis illustrates the material bill impact of customers failing to meet conditional discount conditions – most legacy customers would face a bill above the DMO. The ACCC noted in late 2023 that given current cost-of-living pressures, large conditional discounts that are beyond reasonable costs unnecessarily expose customers to the risk of higher prices.[208] There is a material impact on SEQ residential legacy offer customers when discounts are not achieved (Table 9.2).

Table 9.2: Estimated impact of conditional discounts on residential legacy offer bills

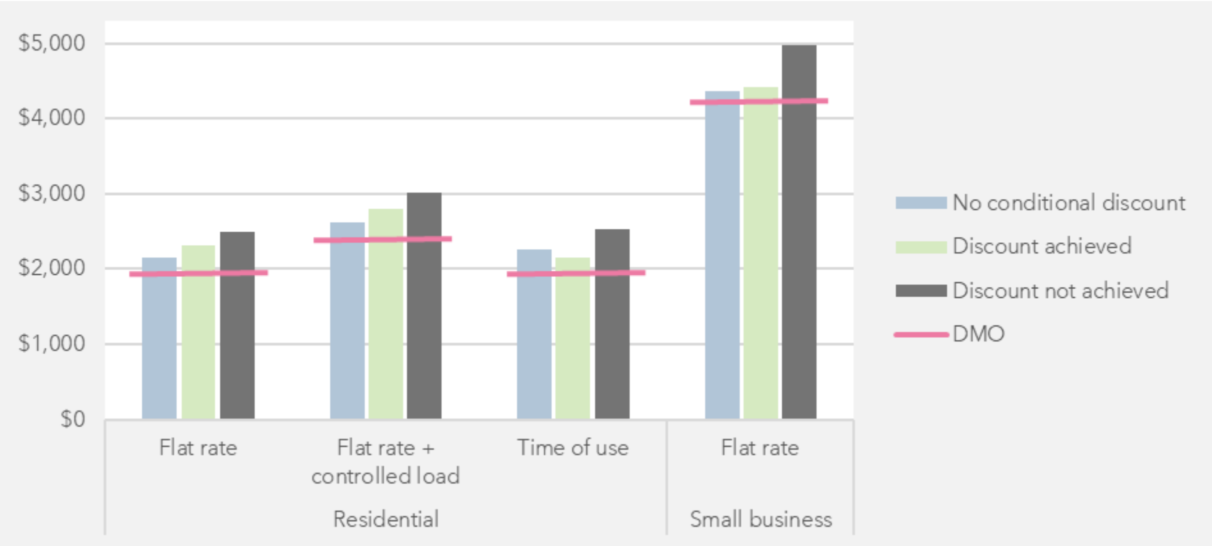
Tariff type	Bill value ($)		Difference	
	Discount achieved	Discount not achieved	($)	(%)
Flat rate	2,318	2,495	176	7.6
Flat + controlled load	2,806	3,016	210	7.5
Time of use	2,153	2,535	383	17.8

Notes: Bill values are based on the DMO annual usage and have been weighted by the number of legacy customers who were on those offers. Individual legacy customers' consumption may vary significantly. The bills also do not include other components of the legacy offers, such as solar feed-in tariffs.
Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

Comparing bills to the DMO

This section looks at the bill outcomes for legacy customers on offers that produced bill values above the equivalent DMO reference bill, as requested by the Minister. Figure 9.5 shows the annual bill value for legacy offers above the DMO for each residential and small business tariff and tariff combination covered by the DMO as well as the respective DMO reference bill.[209]

Figure 9.5: Annual bill value of legacy offers above the DMO, December quarter 2023



Notes: Bill values are based on the DMO annual usage and have been weighted by the number of legacy customers who were on those offers. Individual legacy customers' consumption may vary significantly. The bills also do not include other components of the legacy offers, such as solar feed-in tariffs.
Sources: Retailers' responses to the QCA's information notice (unpublished); QCA analysis.

[208] ACCC, *Inquiry into the National Electricity Market*, December 2023, p 64.
[209] We have weighted legacy offer bills by the number of customers on the respective offers and calculated the bill values using the DMO annual usage.

Customers on legacy offers above the DMO were generally paying less on plans that had no conditional discounts attached than on plans that had discounts attached, even if all the conditional discounts were achieved. When conditional discounts were not achieved, customers faced substantially higher bills. The average amount above the DMO ranged from:

- $178 (no conditional discount) to $526 (discount not achieved) – residential flat rate
- $259 (no conditional discount) to $653 (discount not achieved) – residential flat rate with controlled load
- $184 (discount achieved) to $566 (discount not achieved) – residential time-of-use
- $159 (no conditional discount) to $771 (discount not achieved) – small business flat rate.

Many customers could have reduced their bill by switching to their retailer's DMO or by switching to a market offer.[210] However, our analysis does not suggest that all legacy customers could have saved by switching. Our bill calculations are based on the DMO consumption level, which may differ significantly from individual legacy customers' consumption. In addition, certain legacy offers have attributes attached that may be advantageous for customers, such as a high solar feed-in tariff.

9.1.5 Reasons customers remain on legacy offers

There may be various reasons why customers remain on legacy offers – even if they are (or appear to be) more expensive than the DMO – for example:

- Customers' actual usage may vary significantly from the DMO consumption level that we used for our comparison. This means that while the plan is expensive for a customer that has the DMO consumption level, it may be an ideal plan for some customers with a different consumption level.
- A legacy offer may have attributes attached that are advantageous for customers, such as a high solar feed-in tariff. One retailer told us that most customers on its legacy offers actively opted to remain on these plans because of the high solar feed-in tariff attached to these plans. As the usage of the average customer on these plans is very low – well below a representative customer and the DMO consumption level – and the feed-in tariff high, the retailer stated these customers often receive a bill of zero or are even in credit.
- High conditional discounts could prevent some customers from switching, as they do not want to lose their large discount. However, customers are potentially unaware that the discount is off a higher underlying price and that they may be able to save money by switching to a plan with cheaper prices, even if the new plan has a smaller discount or no discount attached at all.
- Some of reasons for customers not switching retailers or plans that we discuss in sections 8.2.3 and 8.5 – such as customers not being price-sensitive or feeling that the benefits of shopping around do not outweigh the costs – are likely to apply to legacy customers too.

Nonetheless, we consider that customers should regularly evaluate whether their current offer remains the best option for their circumstances and check if a better plan is available, either from their current retailer or from other retailers in the market.

[210] Our analysis shows that market offer bills were generally lower than standing offer bills, which are capped by the DMO (see chapter 2 and Appendix A).

9.1.6 Additional customer protections

Two rule change requests have been made to help customers compare electricity offers and prevent disengaged customers from paying too much for electricity.

Better Bills Guideline

In April 2020, the AEMC received a rule change request to amend the National Energy Retail Rules (NERR). The rule change request sought to simplify energy bills to ensure clear and accessible information for all customers and to help reduce market complexity, which would strengthen the ability of customers to make informed decisions.[211]

In response, the AER published its Better Bills Guideline in 2022, which sets out requirements for energy retailers to prepare and issue bills to small customers. The AER noted that consumers expect bills to be simple and easy to understand, as customers use bills to understand their energy usage, costs and how to get help.[212] A significant addition to the information presented on bills was to include information about whether the customer was on the cheapest plan offered by their retailer and how much the customer could save annually by switching to the retailer's cheapest plan.

In our view, the inclusion of this information in a clear and easy-to-find manner could greatly assist customers to switch to their retailer's cheapest plans. However, we note that the 'cheapest plan' comparison is limited to the plans of the incumbent retailer. As such, customers may save by switching to their retailer's cheapest plan, but other retailers could have even better plans available.

Removing unreasonable conditional discounts

In February 2020, the AEMC made a rule change that limits conditional discounts and conditional fees to the 'reasonable costs' the retailer is likely to incur when payment conditions are not met.[213] However, the rule change only applies to new contracts entered into after 1 July 2020. Customers on plans that commenced before this date may still be on offers with high conditional discounts.

In August 2024, the AEMC received a rule change request that seeks – among other things – to amend the NERR to remove the grandfathering arrangements that allow some legacy market offers to include 'unreasonably large' conditional discounts, and to ensure that conditional discounts are not higher than reasonable costs.[214]

9.2 Customers on cost-reflective tariffs

Distributors charge network tariffs to retailers, which allow the distributors to recover their costs to build, operate and maintain the infrastructure used to transport electricity. The National Electricity Rules require distributors to gradually make their tariffs more accurately reflect the costs of serving their customers (i.e. to be cost-reflective).[215]

Cost-reflective tariffs are the default network tariffs in SEQ for small customers with a smart meter. As the rollout of smart meters progresses, the number of small customers on cost-reflective network tariffs is expected to increase. Retailers can offer smart meter customers a retail tariff that is similar in structure to the underlying cost-reflective network tariff, but they are not bound by the network tariff.

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[211] The Hon Angus Taylor MP, Better bills – AEMC rule change request, April 2020.
[212] AER, *Notice of Instrument: Better Bills Guideline*, 2022, p 1.
[213] AEMC, Regulating conditional discounting, AEMC website, n.d., viewed 17 September 2024.
[214] AEMC, Removing unreasonable conditional discounts, AEMC website, n.d., viewed 27 September 2024.
[215] AER, Network tariff reform, AER website, n.d., viewed 15 August 2024.

In this section, we explore how the rollout of smart meters has progressed over time and how many customers are on cost-reflective retail tariffs. We also discuss some of the potential challenges customers may face with cost-reflective tariffs.

9.2.1 Network tariff reform

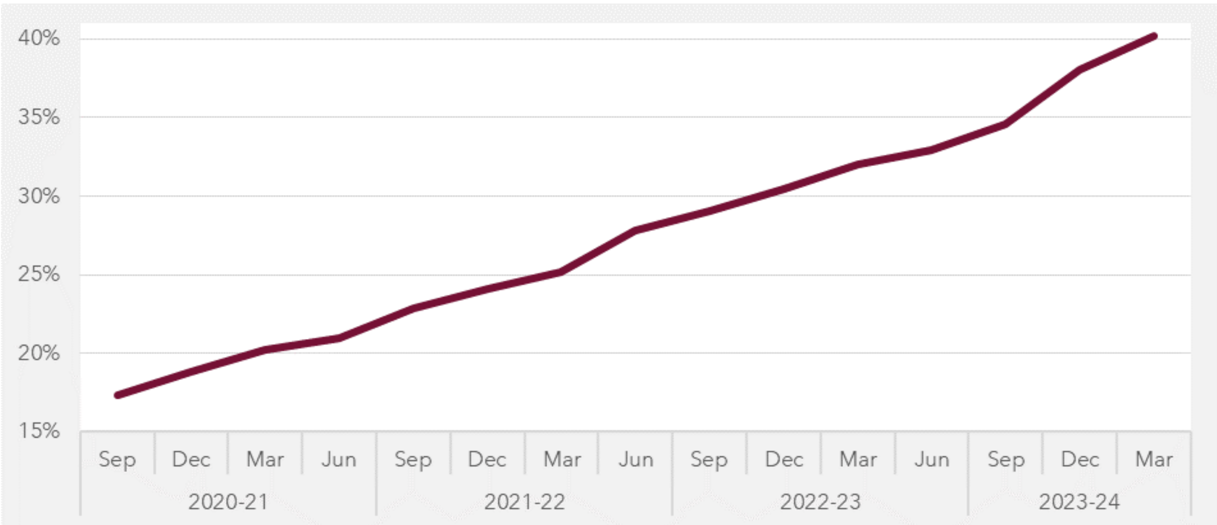
Network tariff reform aims to encourage a more efficient use of networks, which will help reduce the need for additional investment and/or the amount of network infrastructure that needs to be maintained. As customers ultimately pay for these upgrades, tariff reform that encourages a more efficient use of the network will lead to lower network costs for all customers. It also intends to allow consumer energy resources (CER) to be integrated onto the grid as efficiently as possible.[216]

Network tariff reform is a key priority for the AER, which expects distributors to progress tariff reform by undertaking trials to test more complex and innovative tariffs that could enable new services.[217] In previous reports, we discussed demand tariffs that were designed to improve cost reflectivity and that are now the default network tariff for small customers in SEQ with a smart meter.

9.2.2 Smart meter penetration

One way to track progress with tariff reform is to monitor how many customers have smart meters, which means their retailer is exposed to a cost-reflective network tariff.[218] In SEQ, smart meter penetration has increased over time (Figure 9.6) and exceeded 40% of all small customers in 2023–24 – that is, residential and small business customers.

Figure 9.6: Smart meter penetration in SEQ, 2020–21 to 2023–24



Notes: Residential and small business customers are combined as in the AER's indicator S2.8. Data for the June quarter of 2024 was not available yet at the time we finalised this report.
Sources: QCA analysis based on data from AER, *Retail performance reporting*, AER website, n.d., viewed 21 October 2024.

The Queensland Government targets a 100% penetration of smart meters by 2030 to accelerate the effective integration of CER such as rooftop solar, battery storage and new devices like electric

[216] AER, *Network tariff reform*, AER website, n.d., viewed 15 August 2024.
[217] AER, *Network tariff reform*, AER website, n.d., viewed 15 August 2024.
[218] This is because distributors, including Energex, have network tariff assignment criteria that require customers with smart meters to be assigned to cost-reflective tariffs at the network-level (Energex, *Energex Network Tariff Guide, 1 July 2023 to 30 June 2024*, 2023, p 6).

vehicles, and to enable more households to optimise their energy usage.[219] Similarly, the AEMC recommended a target of a universal uptake (100% smart meters) in the NEM by 2030,[220] and is progressing reforms to accelerate their deployment.[221]

9.2.3 Network tariff versus retail tariff

Every customer is assigned to a network tariff. For small customers with a smart meter, the default network tariff in SEQ is a demand tariff. Retailers may transfer small customers to a retail tariff that mirrors the network tariff, but they do not have to do so. Network tariffs are targeted at retailers who can package these costs with other costs (e.g. wholesale energy costs) in their service offerings to customers. The retail tariff may thus not directly reflect the network tariff.[222]

Some retailers transfer smart meter customers to a retail demand tariff that is similar in structure to the underlying network demand tariff. This exposes customers to a more complex electricity pricing structure, but it allows the retailer to pass on costs to customers in a more cost-reflective way than spreading costs across all customers. Retailers can also absorb those costs and/or pass them on differently to all or only specific customers. As part of the 2020–25 regulatory determination process for Queensland's distributors, the AER approved network tariff reforms and noted:

> For customers that prefer to remain on consumption tariffs, retailers may need to rely on demand management strategies to mitigate their exposure to commercial risk created by network tariff reform. For other customers, the pass through of these risks in the form of highly cost reflective retail tariff structures represents an opportunity to be rewarded for actively managing their peak demand.[223]

As smart meter penetration increased over the past few years (Figure 9.6), so did the number of customers on a cost-reflective network tariff. However, the number of customers on a cost-reflective retail tariff has not increased at the same rate. While data is not generally available on the individual retail tariffs that customers are on, the AER reports on the types of tariff structures that each retailer's smart meter customers are on, splitting customer numbers up by:

- flat or block retail tariffs with/without a controlled load retail tariff
- time-of-use or flexible retail tariffs with/without an underlying distributor-based time-of-use or flexible network tariff.[224]

In the March quarter of 2024, retailers reported just over 650,000 SEQ customers on smart meters. Just over one-third of these customers were on time-of-use or flexible retail tariffs, while nearly two-thirds remained on a flat or block retail tariff (Figure 9.7).

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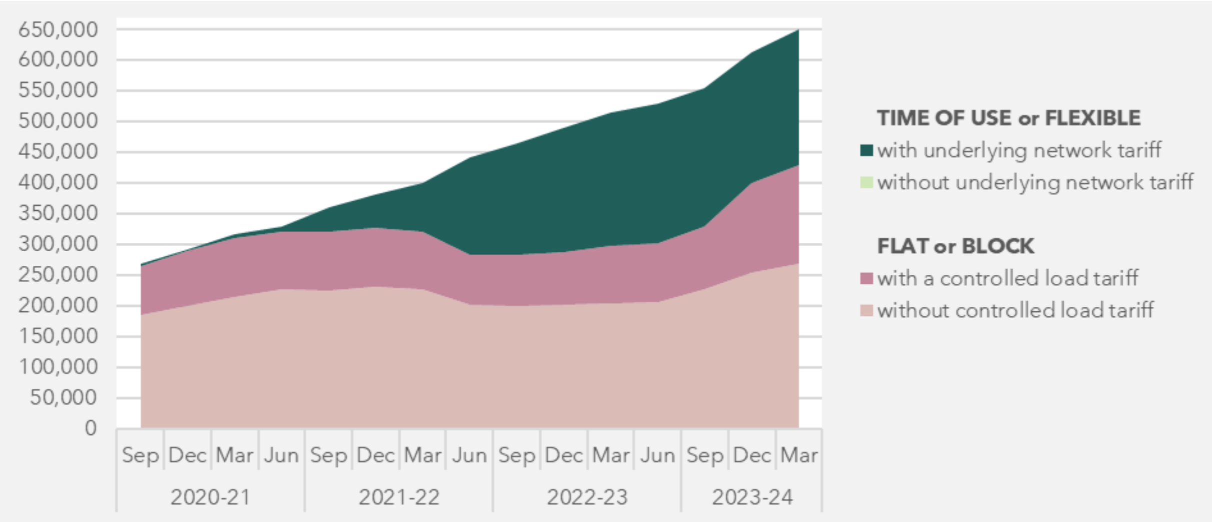
[219] Queensland Government, *Queensland Energy and Jobs Plan: Power for generations*, 2022, p 36. The Queensland Energy and Jobs Plan outlines how Queensland's energy system will transform to deliver clean, reliable and affordable energy.
[220] AEMC, *Review of the regulatory framework for metering services* [final report], 2023, pp iii–iv, 26–27. The AEMC recognised the Queensland Energy and Jobs Plan that targets a 100% uptake of smart meter devices by 2030.
[221] AEMC, *Accelerating smart meter deployment* [directions paper], 2024, p i; AEMC, *AEMC moves to accelerate smart meter rollout for Australians* [media release], 4 April 2024, viewed 16 August 2024.
[222] AER, *Network tariff reform*, AER website, n.d., viewed 15 August 2024.
[223] AER, *Ergon Energy and Energex: Distribution Determination 2020 to 2025* [final decision] – Attachment 18: Tariff Structure Statement, 2020, p 18.
[224] In the AER's indicator S2.8, a flexible tariff means a tariff that may include a demand component, time-of-use tariff, capacity component, or other non-flat tariff structure. The indicator includes the total number of residential and small business customers (AER, *AER (Retail Law) Performance Reporting Procedures and Guidelines* [version 3], 2018, p 7,11). Demand tariffs, which are the default network tariff in SEQ for customers with a smart meter, are included in the AER's second category – time-of-use and flexible retail tariffs.

Figure 9.7: SEQ smart meter customers by type of retail tariff structures, 2020–21 to 2023–24

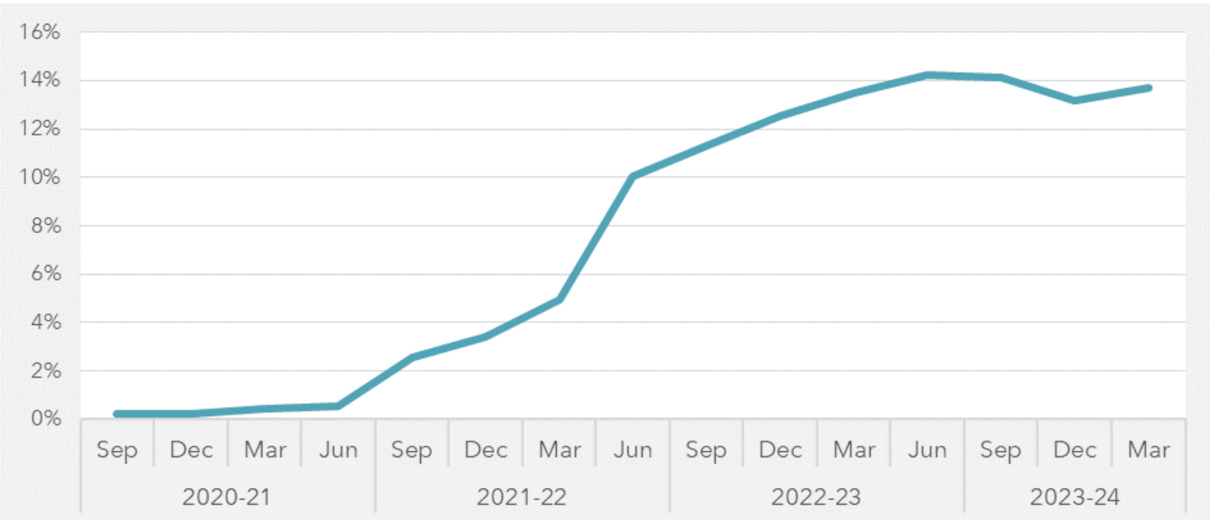


Notes: Residential and small business customers are combined as in the AER's indicator S2.8. Data for the June quarter of 2024 was not available yet at the time we finalised this report.
Sources: QCA analysis based on data from AER, *Retail performance reporting*, AER website, n.d., viewed 21 October 2024.

The split of SEQ smart meter customers by type of retail tariff structures (Figure 9.7) shows that the number of customers on a flat or a block retail tariff increased in 2023–24. The number of customers on a time-of-use or a flexible tariff (including demand) peaked in the June quarter of 2023, and then decreased in 2023–24. Hardly any customers were on a time-of-use or a flexible retail tariff without an underlying time-of-use or flexible network tariff.

In the March quarter of 2024, some 14% of all SEQ customers were on a time-of-use or a flexible retail tariff (Figure 9.8).[225] The share of SEQ customers on either a time-of-use or a flexible retail tariff increased substantially in 2021–22, followed by a more moderate increase in 2022–23 and an overall decline in 2023–24. From the peak in the June quarter of 2023, the share of customers on a time-of-use or a flexible retail tariff decreased by a full percentage point by the December quarter of 2023 and then increased slightly again by the March quarter of 2024.

Figure 9.8: SEQ customers on time-of-use or flexible retail tariffs, 2020–21 to 2023–24



Notes: Residential and small business customers are combined as in the AER's indicator S2.8. Data for the June quarter of 2024 was not available yet at the time we finalised this report.
Sources: QCA analysis based on data from AER, *Retail performance reporting*, AER website, n.d., viewed 21 October 2024.

[225] About 40% of SEQ customers had a smart meter (Figure 9.6) and about 34% of them were on a time-of-use or flexible retail tariff (Figure 9.7).

9.2.4 Retailers providing alternative plans

A retailer can offer its customers any kind of retail plan, even if it does not reflect the underlying network tariff. For example, a retailer may still offer a flat rate tariff, even if the customer has a smart meter – this is a choice of each retailer.[226] We found that in the June quarter of 2024, 80% of the retailers (20 of 25 retailers) had flat rate plans available for smart meter customers.[227]

This may be because some customers are hesitant to take up a new cost-reflective tariff, which may be due to a lack of understanding of how such tariffs work, or concerns about higher bills. It appears that retailers are responding to customers' concerns and preferences, possibly to avoid losing customers to another retailer after putting them on a new tariff that they do not understand and that potentially leads to a significant bill increase.

One of the retailers noted the considerable challenge to demonstrate to customers the value of demand structures, which was further compounded by recent negative press on demand charges. Concepts related to demand pricing are not easy for customers to understand or respond to without technical automation to manage usage, which requires an investment to set up. The retailer found that customers often see demand charges as a punitive and unfair charge, given the common perception that their bill should only be based on their consumption.[228]

Another larger retailer said that it decided to pause the assignment of customers to retail demand tariffs in mid-2023 due to concerns about customer experience, including the challenges customers face in understanding these tariffs and engaging with them. The retailer considered tariffs should be simple for customers to understand and empower customers to act to minimise their bill.[229]

Origin Energy noted in its submission to our 2024–25 notified prices draft determination that it did not currently offer retail demand tariffs to its customers, as demand charges were difficult to explain to residential customers, and customers typically could not easily measure their demand and respond to these charges.[230] In addition, some customers are unable to modify their usage for a range of reasons, which means cost-reflective retail tariffs may not be suitable for all customers.[231]

Media reports also highlighted that flexible or 'dynamic' tariffs were a problem for many customers and that 'consumers want simplicity, not complexity'. The industry was encouraged to simplify bills to ensure customers are not disadvantaged by complexity and kept faith in the energy transition.[232] The AER noted that cost-reflective tariffs incentivise retailers to facilitate alternative ways of aligning customers' energy usage with efficient use of network infrastructure.[233]

9.2.5 Challenges for customers

Comparison of retail plans

Cost-reflective tariffs (such as demand tariffs) are often more complex and difficult for consumers to understand and compare than traditional tariffs (such as flat rate tariffs). This can impact customers' willingness to take up a cost-reflective plan. We note that customers cannot rely on price comparison

[226] Energex, *Residential tariffs*, Energex website, n.d., viewed 21 August 2024.
[227] QCA analysis based on data from Energy Made Easy.
[228] Retailer's response to QCA information notice for 2023–24 (unpublished).
[229] Retailer's response to QCA information notice for 2023–24 (unpublished).
[230] Origin Energy, submission to the QCA, *Regulated retail electricity prices in regional Queensland for 2024–25* [draft determination], 21 May 2024, p 1.
[231] AER, *State of the energy market 2024*, 2024, p 283.
[232] Views of Mark Collette, managing director of EnergyAustralia, reported in D. Mercer, 'Claims complex power prices "all pain, no gain" spark calls for tariff rethink', *ABC News*, 28 August 2024, viewed 28 August 2024.
[233] AER, *State of the energy market 2024*, 2024, p 80.

sites to compare plans with demand charges, as these sites (including Energy Made Easy) typically do not provide bill estimates that include demand charges.[234] Moreover, different retailers have different ways of applying demand charges, which means customers may be charged:

- for their highest demand in a period of time
- an average of peak demand over a period of time
- different demand rates in different seasons.[235]

We consider that these challenges could prevent customers from finding the best plan for their circumstances and may reduce their incentive to switch retailers or plans, which in turn may have a negative impact on competition as 'competition by comparison' between retailers is limited. It could also make customers more reluctant to take up such cost-reflective plans.

The AER is only required to determine DMO prices for residential customers on flat rate, time-of-use and controlled load tariffs, and for small business customers on flat rate tariffs.[236] This means that standing offer prices for most cost-reflective tariffs (such as demand tariffs) are not 'capped' like the tariffs covered by the DMO; and customers cannot compare plans using a DMO reference bill.

Bill shock and other concerns

Customers need to understand how a cost-reflective retail tariff works to change their consumption behaviour based on the price signals the tariff provides. Customers are unlikely to benefit from a cost-reflective tariff if they do not know how to respond to their new plan, or are unable or unwilling to do so. This is supported by media reports of customers who experienced a bill shock after being transferred to a cost-reflective tariff – sometimes without their retailer informing them.[237]

Customer dissatisfaction with the new tariffs has received some media attention, highlighting the 'mysterious new item on their energy bills … above and beyond the more conventional charges' and that demand charges cost customers 'hundreds of dollars extra a year'.[238] Some also questioned if retailers were gouging customers, prompting calls to end Australia's energy tariff 'nightmare'.[239]

9.2.6 Additional customer protections

Residential and small business customers on a retail demand tariff do not have the same customer protections that are offered to customers on a flat rate or time-of-use tariff. For example, the Electricity Retail Code covers retailers' communication of prices to small customers, including notifications of a change in prices or notifications of a tariff change. These protections do not apply to customers on a retail demand tariff.[240]

[234] Australian Government, *Energy Made Easy*, energymadeeasy.gov.au, n.d., viewed 16 August 2024.
[235] Australian Government, *Which type of tariff is right for you?*, energymadeeasy.gov.au, n.d., viewed 16 August 2024.
[236] AER, *Default market offer prices 2023–24* [final determination], 2023, pp 2,10.
[237] See for example D Mercer, 'Power price structures have radically changed, but nobody thought to tell consumers about it', *ABC News*, 15 June 2024, viewed 16 August 2024. A retailer must give notice to a customer of any variation to the tariffs and charges that affects the customer at least 5 business days before the variation applies. However, where the variation is a direct result of a tariff reassignment by the distributor, notification must only be provided 'as soon as practicable' and no later than the customer's next bill (NERR, rule 46).
[238] D Mercer and W Sati, 'Energy retailers' "insidious" power pricing charges households based on highest point of use', *ABC News*, 3 June 2024, viewed 16 August 2024.
[239] For example, D Mercer and W Sati, 'Energy retailers' "insidious" power pricing charges households based on highest point of use', *ABC News*, 3 June 2024, viewed 16 August 2024; D Mercer, 'Power price structures have radically changed, but nobody thought to tell consumers about it', *ABC News*, 15 June 2024, viewed 16 August 2024; ABC News, '"Convoluted" prices spark calls for end to Australia's energy tariff "nightmare"', *YourLifeChoices*, 19 August 2024, viewed 19 August 2024.
[240] Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019, Division 2, clause 6(3)(a); ACCC, *Guide to the Electricity Retail Code* [version 3], 2021, p 21.

It appears that some customers were moved to a cost-reflective tariff without their explicit and informed consent. Media reports highlighted a 'little-known technicality' or 'legal loophole' in the NERR whereby retailers do not have to notify customers in advance of a tariff change if the underlying network tariff is changed first. In this case, customers only need to be informed 'as soon as practicable, and in any event no later than the customer's next bill'.[241]

In April 2024, the AEMC made a draft rule that included supporting reforms, including new customer safeguards to protect customers from potential cost risks, increased notification requirements ahead of tariff changes, and improved customer experience.[242] In November 2024, the AEMC released a rule determination with additional customer safeguards, including:

- a 2-year explicit informed consent period for any retail tariff structure variations following a smart meter upgrade
- a new requirement for designated retailers to offer flat tariff structures to smart meter customers (this measure must be implemented by jurisdictions to come into effect).[243]

The AEMC considered that these additional safeguards were critical in protecting customers from potential cost risks and in building and maintaining social licence for the smart meter acceleration program.[244] The Queensland Government announced a proposed change that will allow SEQ households moved to a time-of-use tariff after the installation of a smart meter to revert to a flat rate tariff.[245]

We consider that these safeguards and changes will help customers to choose a tariff that meets their needs. This is particularly important for customers who are unlikely to benefit from cost-reflective tariffs, either because they do not understand the new tariff, or they cannot effectively respond to the price signals and change their consumption behaviour accordingly.

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[241] NERR [version 41], rule 46 (4C); D Mercer, 'Energy retailers exploit legal "loophole" to change power prices without warning', *ABC News*, 19 May 2024, updated 20 May 2024, viewed 21 August 2024.
[242] AEMC, *AEMC moves to accelerate smart meter rollout for Australians* [media release], 4 April 2024, viewed 16 August 2024.
[243] AEMC, *Accelerating Smart Meter Deployment* [rule determination], 2024, p 26.
[244] AEMC, *Accelerating Smart Meter Deployment* [rule determination], 2024, p 26.
[245] S Miles and M de Brenni, *Miles Government win in stopping energy retailers' smart meter sting* [media release], Queensland Government, 20 August 2024.

Glossary

ABC	Australian Broadcasting Corporation
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ADM	advanced digital metering
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AGA	Allianz Global Assistance
Amex	American Express
BETA	Behavioural Economics Team of the Australian Government
CBA	CommBank or Commonwealth Bank of Australia
CER	consumer energy resources
c/kWh	cents per kilowatt hour
CL	controlled load
COAG	Council of Australian Governments
CPI	consumer price index
Cth	Commonwealth
CTL Load	controlled load
DiscoF	disconnection fee
DiscoFMO	disconnection fee for moving out
DiscoFNP	disconnection fee for non-payment
DISER	Australian Government Department of Industry, Science, Energy and Resources
DMO	default market offer
Electricity Retail Regulations	Competition and Consumer (Industry Code – Electricity Retail) Regulations 2019 (Cth)
ESC	Essential Services Commission (Victoria)
EHA	Emergency Home Assistance
EV	electric vehicle
GST	goods and services tax
HEEAS	Home Energy Emergency Assistance Scheme (Queensland)
HHI	Herfindahl-Hirschman Index
IPART	Independent Pricing and Regulatory Tribunal (NSW)
kWh	kilowatt hours
Minister	Minister responsible for Energy

MWh	megawatt hour
NBE	Next Business Energy
NECF	National Energy Customer Framework
NEM	National Electricity Market
NERL	National Energy Retail Law
NERLQ	National Energy Retail Law as applied in Queensland
NERR	National Energy Retail Rules
NRMA	National Roads and Motorists' Association
NSW	New South Wales
PIAC	Public Interest Advocacy Centre
PV	photovoltaic
QCA	Queensland Competition Authority
QLD or Qld	Queensland
RACQ	Royal Automobile Club of Queensland
SEQ	south-east Queensland
SR	single rate
TOU	time of use
Typical SEQ customer	customer with a median consumption
VPP	virtual power plant

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— *Applying the energy market objectives*, July 2019.

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— *2020 Retail Energy Competition Review* [final report], June 2020.

— *Bill contents and billing requirements* [rule determination], March 2021.

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