



PRESS RELEASE – IMMEDIATE RELEASE

COMMUNITY COMBINES TO FIGHT UNFAIR RETAIL ENERGY MARKET

What started as a casual conversation between friends about soaring electricity bills, turned into a six-month research project and the formation of a lobby group based in the NSW Hunter Valley called Consumers for a Fairer Electricity Scheme (FES).

The research conducted by FES concluded that, for consumers wanting a better electricity deal, the complexity of the pricing, combined with the Federal Government's apparent lack of concern for ensuring that customers can readily and accurately compare energy offers, ends in confusion and frustration.

While politicians and commentators use the catch cry "compare your electricity prices to ensure you are on the best deal", for most, the problem is how to accurately or with any degree of certainty, achieve this.

The plain and simple truth uncovered by FES is that both the Government and the electricity Retailers use smoke and mirrors in pricing, billing offers and regulations, that result in profit-centred marketing to deceive and mislead consumers.

Here's how it works.

There are two cost factors in any electricity bill: a network (supply) charge and a usage charge. (This is regardless of whether a consumer has solar which is providing some form of rebate to them.)

Government and Network Providers, such as Ausgrid, publish a *Regulated Network Charge* each April to commence on 1 July for the upcoming year. The figure published for 2025/2026 is \$0.65cents/day for the retailer Ausgrid. Note: For stand alone residential premises).

It sounds straight forward; however, it was found by FES in its review of scores of resident's electricity bills that the retailers' price to consumers is always higher than the published Regulated Network Charge, and can vary dramatically even in quotes for the same consumer on consecutive days or for neighbours. In the research to date, these prices have varied from .82c/day to \$ 4.60/day.

How, they asked themselves, is it possible that a Retailer can apply very different Network charges to customers in the same area with similar households and usage histories?

It can do so it seems because the Regulated Network Charge is not fixed (as the name may imply), it is merely a minimum price.

Then there are the usage charges which vary in price across each 24-hour period. FES uncovered that different retailers break up the 24-hour cycle of supply differently, again making direct comparison of quotes for supply more complex.

Again, there is an annual, government-regulated reference price, the Default Market Offer, (DMO) in relation to usage of electricity. This caps the price a Retailer can charge.

Again, at first glance this seems a safety net for consumers. In reality it is a marketing tool used by Retailers to offer “discount” pricing. The discount may apply to one or more of the billing periods in the day however, quotes analysed by FES displaying such offers found that any “gains” here were “lost” in increased supply charges or higher than previous charges at other times.

The Federal Government does provide a website (Energy Made Easy) where consumers can go and, with a few clicks, “find a better deal”. To accept this “deal” requires simple, blind trust or, if a consumer wants to compare the recommended supplier, they must still unpack all the components of their current deal, and the proposed one, in terms of network cost, and usage costs across each defined period.

FES found this website and its claims are a questionable at best, and any comparison with the more than 30 retail suppliers, and the more than 40 companies that claim to compare pricing and deals, will show, even at a cursory glance, that the results are all different.

Most recently, the Federal Government has claimed it “will force retailers to provide 3 hours of free electricity each day”.

The only way that this component of an offer can be accurately compared by a consumer is by the billing hours be fixed for all retailers for example as,

- a. Free – 9:00 am to 12:00 noon,
- b. Peak – 7:00am to 9:00am
- c. Peak – 4:00pm to 9:00pm
- d. Shoulder – 9:00pm to 7:00am
- e. Off Peak – 12:00noon to 4:00pm

Following their findings, FES concluded that the way to a fairer electricity market for consumers is by Federal Government changes regulations to meet the following demands:

1. The annual published Regulated Network Charge approved by AEMO for Network Providers (such as AUSGRID) be mandated as a set charge and that it appears on all consumer bills as the “Service to Property” fee.
2. Electricity usage pricing is based on standardised, mandated hours of supply for all retail providers.
3. Retail electricity providers cannot change the published Network figure/fee, nor can retailers change the mandated hours for billing purposes.

To date, the group has been in formal communications regarding their demands with:

- Local State and Federal Politicians
- Federal Minister for Climate Change and Energy
- NSW Minister for Climate Change, Minister for Energy, Minister for the Environment and Minister for Heritage
- AEMO (Australian Energy Market Operator)
- AER (Australian Energy Regulator)
- AEMC (Australian Energy Market Commission)
- Energy and Water Ombudsman (NSW)
- Australian Competition and Consumer Commission

To date, the Federal Labor Energy Minister and State Labor Energy Minister have been unwilling to respond in writing to the valid concerns raised by FES in their submissions.

Both Federal and State local Labor members have refused to take up the matter on behalf of their constituents.

The responses from bureaucrats have been at best without substance, and at worst, patronising.

Until the Federal Government commits to serving consumers rather than lining the pockets of electricity retailers, it is unlikely we will see an end to these deceptive practices resulting in ever increasing costs.