

*I oppose the AEMC's proposal to shift network pricing toward predominantly fixed charges on a number of grounds.*

*Fixed, unavoidable charges undermine equity and are the equivalent of a regressive tax, an approach long since rejected in Australia in favour of a progressive taxation system where those who earn more pay a higher rate of tax. Similarly, while I understand the need to provide sufficient funding for infrastructure, perhaps a progressive approach to funding infrastructure could merit consideration. ie those who use more should pay a higher rate for infrastructure.*

*Increasing the level of fixed rates fundamentally reduces the capacity of consumers to control their own bills. It does little to encourage people to use less electricity and will only weaken incentives for efficient energy use. In my lifetime I have seen a change from water and other service providers which seemingly were premised on endless growth, to the implementation of strategies to look after the environment and to reduce household consumption.*

*The proposed change will see households with existing solar and battery systems facing and increase in bills and more important will see the fundamentals behind their "investment" undermined. We don't expect to see retrospective changes in things like our superannuation and taxation systems, so why should we accept them here? Households considering installation would see their benefits substantially reduced. The proposed approach would significantly weaken and risk a sharp decline in uptake of household renewables. The suggested approach seems contrary to recent Government policies that have recently provided incentives to households to install solar panels and batteries.*

*Low-consumption and lower-income households would pay more regardless of their ability to reduce usage, entrenching structural inequities rather than addressing them.*

*Given this is a self-initiated review, the AEMC should not continue with such a fundamental change without publishing detailed bill impacts, distributional analyses and evidence of consumer and retailer behaviour. Indeed, while the proposal emphasises supposed benefits to consumers, it is very light on in detail and certainly light on regarding the downsides for consumers.*

*I urge the AEMC consider other alternatives and options to the proposal to introduce predominantly fixed network charges and to that will retain consumer choice, equity and clean energy investment incentives.*