

**Submission to the Australian Energy Market Commission  
Pricing Review: Electricity pricing for a consumer-driven future  
Submitted by:**

Retired electricity consumer, Queensland

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**Executive perspective**

I write as a retired Australian on a fixed and limited income, representing a cohort of consumers whose capacity to respond to price signals, complex tariffs, and market choice is constrained by income, age, and access to digital tools.

I welcome the AEMC's recognition that while innovation and competition are delivering benefits to some consumers, outcomes remain uneven, and many households continue to pay higher prices than necessary or are unable to engage effectively with the retail market

This submission responds to the **three themes and six draft recommendations** outlined in the Pricing Review and offers observations from a consumer equity and affordability perspective, consistent with the National Electricity Objective and the long-term interests of consumers.

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**Theme 1: Harness competition to improve outcomes for all consumers**

The Pricing Review appropriately identifies that competition is only partially effective and that many consumers pay a "loyalty tax" because they do not or cannot switch regularly

However, this theme risks assuming that all consumers begin from an equivalent position of access, choice, and capability. From a consumer perspective, this assumption does not hold.

**Key observations**

**1. Retail competition is geographically uneven**

Many Australians — particularly outside major metropolitan areas — do not have a meaningful choice of electricity retailer. In regional Queensland, for example, consumers have historically been supplied by a single retailer under regulated arrangements. In such contexts, the benefits of retail competition described in the Review are not directly accessible.

**2. Rising prices challenge the claimed benefits of competition**

Despite decades of market reform, electricity costs remain a growing pressure on household budgets. The removal of temporary government bill relief heightens the risk that price increases will disproportionately affect consumers least able to respond by switching, investing in technology, or changing usage patterns.

**3. Evidence of consumer benefit remains uneven**

While some consumers actively engage and benefit from competitive offers, others — including older Australians, renters, and low-income households — experience higher average prices. This raises the question of whether current competitive settings systematically advantage more resourced consumers.

### **Consumer interest consideration**

If competition is to be the primary mechanism for improving outcomes, stronger safeguards are required to ensure disengaged or constrained consumers are not persistently worse off. Measures such as default pricing protections, service quality benchmarks, and transparent reporting on retailer performance may be necessary complements to competition.

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### **Theme 2: Make it easier for consumers to compare offers that suit them**

The Review acknowledges that many consumers lack the tools or information needed to select suitable plans, and proposes further development of comparison services such as Energy Made Easy.

### **Consumer experience**

Based on direct use of Energy Made Easy and private comparison services, I observe that:

- plan structures are highly complex and difficult to compare
- conditional discounts and special terms obscure real costs
- “apples with apples” comparisons remain challenging for ordinary users

For older Australians in particular, digital access, confidence, and literacy present additional barriers.

### **Key questions for consideration**

- How will improved comparison tools assist consumers who lack regular internet access or digital skills?
- What evaluation has been undertaken to assess whether existing comparison tools materially reduce bills or improve outcomes for vulnerable cohorts?
- How will additional funding for comparison tools be assessed against measurable consumer benefit?

### **Consumer interest consideration**

Improving comparison tools should not rely solely on consumer engagement. Simplification of offers, standardised disclosure, and stronger default protections may deliver greater benefit to a wider population than further complexity layered onto existing tools.

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### **Theme 3: Reward consumers for activities that achieve a low-cost system and target equitable cost sharing**

This theme addresses one of the most challenging tensions in the current energy transition: encouraging innovation while ensuring fair cost allocation.

### **Observations on innovation incentives**

Past policy experience demonstrates that incentives can be effective but also produce unintended distributional effects:

- Early solar subsidies and feed-in tariffs benefited early adopters but have since diminished as uptake increased.
- Current battery incentives may similarly advantage households with capital and home ownership, while offering limited benefit to others.

As the Review notes, consumers with distributed energy resources may contribute less to shared network costs despite continued reliance on the network

### **Equity concern**

Proposals to amend tariff structures to improve efficiency and cost sharing must be approached cautiously. There is a risk that:

- consumers who already use less energy
- households on fixed or low incomes
- older Australians and renters

may bear a disproportionate share of costs without having practical access to the technologies or behaviours being rewarded.

### **Consumer interest consideration**

Equitable reform requires explicit recognition that not all consumers can respond equally to price signals or invest in new technologies. Transitional protections, targeted concessions, and careful monitoring of distributional impacts will be essential to maintain public trust and fairness.

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### **Concluding comment**

I support the AEMC's objective of developing a smarter and fairer pricing framework. However, fairness must be assessed not only in system efficiency terms, but also in lived consumer outcomes.

The success of pricing reform should ultimately be judged by **whether it improves affordability, transparency, and trust for all consumers — particularly those with limited capacity to adapt to rapid change.**

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**Submitted by:**

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