



# Queensland Energy Prices July 2021

An update report on the Queensland Tariff-Tracking  
Project



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**Queensland Energy Prices July 2021**  
**An Update Report on the Queensland Tariff-Tracking Project**

**May Mauseth Johnston, September 2021**  
**Alviss Consulting Pty Ltd**



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**Disclaimer**

The energy offers, tariffs and bill calculations presented in this report and associated workbooks should be used as a general guide only and should not be relied upon. The workbooks are not an appropriate substitute for obtaining an offer from an energy retailer. The information presented in this report and the workbooks is not provided as financial advice. While we have taken great care to ensure accuracy of the information provided in this report and the workbooks, they are suitable for use only as a research and advocacy tool. We do not accept any legal responsibility for errors or inaccuracies. The St Vincent de Paul Society and Alviss Consulting Pty Ltd do not accept liability for any action taken based on the information provided in this report or the associated workbooks or for any loss, economic or otherwise, suffered as a result of reliance on the information presented. If you would like to obtain information about energy offers available to you as a customer, go to AER's ['Energy Made Easy'](#) website or contact the energy retailers directly.

**Acknowledgements**

This project was funded by Energy Consumers Australia ([www.energyconsumersaustralia.com.au](http://www.energyconsumersaustralia.com.au)) as part of its grants process for consumer advocacy projects and research projects for the benefit of consumers of electricity and natural gas.

The views expressed in this document do not necessarily reflect the views of Energy Consumers Australia.

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## The Queensland Tariff-Tracking Project: Purpose and outputs

This project has tracked electricity and gas tariffs in Queensland from July 2009 to July 2021 and developed a spreadsheet-based tool that allows consumer advocates to build on the initial analysis and continue to track changes as they occur. The first report for the Queensland Tariff-Tracking project was published in August 2012 and this is the tenth up-date report focusing on price changes that have occurred over the last year.

We have developed workbooks that allow the user to enter consumption levels and analyse household bills for regulated gas and electricity offers from July 2009 to July 2016, as well as published electricity and gas market offers post the price resets in July 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021.<sup>1</sup> A recent addition to the Tariff-Tracking project is market offers available to new solar customers. The workbook allows users to calculate annual bills based on retailers' rates, feed in tariffs offered and additional discounts. Again, the user can enter consumption level as well as choosing to run the bill calculation based on 1.5 kW or 3 kW solar systems.

Workbook 1: Standing/Regulated electricity offers July 2009-July 2021

Workbook 2: Standard gas retail offers July 2009-July 2021<sup>2</sup>

Workbook 3: Electricity market offers July 2012 - July 2021

Workbook 4: Gas market offers post July 2012 - July 2021

Workbook 5: Solar market offers post July 2016, July 2017, July 2018, July 2019, July 2020 and July 2021

The jurisdictional update reports will be followed by a NEM comparison report that discusses market issues and customer impacts in more detail as well as making recommendations.

All workbooks and reports can be accessed at the St Vincent de Paul Society's website:  
[www.vinnies.org.au/energy](http://www.vinnies.org.au/energy)

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<sup>1</sup> All market offers are published offers and do not include special offers that retailers' market through door-knocking campaigns or brokers. We use the retailers' own websites to collect market offer for the Queensland Tariff-Tracking tool. If the retailer has more than one market offer we use the offer that produces the lowest annual bill and/or the offer the retailer promotes as it's best offer. Prior to July 2016, the Tariff-Tracking tool does not include any additional discounts or bonuses but key market offer features are listed in the spreadsheets. This report contains analysis of some of those features.

<sup>2</sup> Note: Queensland does not have regulated gas offers.

## Key findings

In terms of general trends, the tariff analysis has found that:

- ▲ The **Default Market Offer (DMO) bill reduced by 3.5% for single rate and 2.3% for controlled load** (Tariff 31) on 1 July 2021.<sup>3</sup> **See charts 1 and 2 in section 1.**
- ▲ **Annual electricity bills for all-electric households** using 8,000 kWh per annum on the DMO (tariff 11) have typically **decreased by around \$110 (or 5%)** since July 2020. **See chart 3.**
- ▲ For customers on the **Time of Use tariff (tariff 12)**, the **annual bill has typically decreased by \$75 (or 3%)** since July 2020.<sup>4</sup> **See chart 3.**
- ▲ **Gas bills have remained largely the same or increased** in all gas pricing zones between July 2020 and July 2021.<sup>5</sup> **See chart 4, 5 and 6.**
- ▲ The **average annual electricity bill** (all retailers) for households using 8,000 kWh per annum is currently around **\$2,220 for DMO/standing offer customers and \$1,940 for market offer customers** (including additional discounts). **See chart 8 in section 2.1.**
- ▲ Compared to last year (July 2020), the **average electricity market offer** (inclusive of additional) **has decreased by \$90 or 4%**. **See section 2.1.**
- ▲ A household switching from Origin or AGL's standing offer (Tariff 11) to the best electricity market offer may save between \$530 and \$550 per annum. **See section 2.1.**
- ▲ The difference between market offers is also significant. The **difference between the best and the worst market offers is between \$600 and \$885 (depending on tariff type) for customers that always pay bills on time.**<sup>6</sup> ReAmped Energy, Mojo Power and Sumo Power are the retailers that currently have the best market offers for single rate customers (Tariff 11).<sup>7</sup> **See charts 9-12 in section 2.1.**
- ▲ As some retailers still offer conditional pay on time discounts, and many retailers charge late payment fees, paying late can significantly erode savings available from switching to a better market offer. Customers on Diamond Energy's electricity offer, for example, may pay \$224 more per annum if they do not pay their bills by the due date. **See table 4 in section 2.1.**
- ▲ The **average gas market offer** (inclusive of additional discounts) **has increased by \$10 (1.3%)** since July 2020.<sup>8</sup> **See Section 2.2.**
- ▲ The **difference between the best and the worst gas market offers (including additional discounts) is between \$80 and \$135** (depending on the gas zone).<sup>9</sup> **See Section 2.2.**

3 These bill calculations are based on the consumption levels used by the AER to set the DMO.

4 These calculations are based on AGL and Origin's standing offers for households using 8,000kWh per annum and 20% peak/55% shoulder/25% off-peak.

5 These calculations are based on the average standard gas offer for households using 10,000MJ per annum.

6 These calculations are based on the market offers for households using 8,000kWh per annum. Thereof 15% off-peak for customers on tariff 31 or 33 and 20% peak/55% shoulder/25% off-peak for tariff 12.

7 These calculations are based on the market offers for households using 8,000kWh per annum.

8 Based on households using 10,000MJ per annum.

9 These calculations are based on the market offers for households using 10,000MJ per annum.

- ▲ When the DMO took effect in July 2019, AGL, Origin Energy and Energy Australia offered guaranteed discounts of between 6 and 11%. As of July 2020, AGL ceased offering additional discounts, and currently (July 2021) only Energy Australia still offers an additional discount (guaranteed) of 14% off the bill. This means that **while base rates have decreased for all three retailers, some AGL and Origin Energy customers that used to receive high additional discounts will not have received a bill reduction as high as the decrease in base rates.** See section 3.
- ▲ Most retailers apply higher fixed supply charges to their DMOs than their market offers, while some (Energy Australia, Simply Energy, Discover Energy and GloBird) apply the same supply charge to DMOs and market offers. Only one retailer applies higher supply charges to their market offer than they do to the DMO. See chart 20 in section 4.
- ▲ The average residential gas consumption in Queensland is relatively low and as such the supply charges comprise a significant proportion of the annual gas bill.<sup>10</sup> For households consuming 10,000MJ per annum in **the APT gas zone, the supply charge makes up 52-55% of the annual bill**, depending on the retailer. **In the Envestra/AGN zone (Brisbane North), the supply charge makes up 35% of the annual bill** (for the same consumption level). See section 4.
- ▲ The Network Use of System (NUOS) charges declined between July 2014 and July 2018 before slight increases in July 2019, 2020 and 2021. However, as the overall retail bill has decreased, **the NUOS proportion of bills has increased. The NUOS proportion of bills is currently 39%.**<sup>11</sup> See chart 21 in section 5.1.
- ▲ In relation to gas, the **Distribution Use of System (DUOS) proportion of bills decreased** in July 2021 as the **average retail bill increased while the DUOS decreased.** The **DUOS proportion of gas retail bills is currently 50% in Envestra/AGN North and 47% in APT Allgas.** See charts 23 and 24 in section 5.2.
- ▲ Many retailers have reduced their Feed-In-Tariff (FIT) since July 2020. As of July 2021, the average FIT rate is 7.8 c/kWh compared to 9.5 c/kWh one year ago (July 2020). See section 6.
- ▲ Compared to last year, **the average market offer for solar customers (3 kW systems) has increased by \$30 or approximately 2%.**<sup>12</sup> See section 6.
- ▲ The **average annual bill is approximately \$1,315 for households with 3 kW systems installed.** This means that **the average annual bill is \$625 less for solar households compared to non-solar households.** See section 6.
- ▲ The comparison of market offers available to new solar customers shows that there are significant differences between the bills the retailers' offers produce. **Brisbane solar customers with a typical consumption and a 3 kW system installed, may save \$555 per annum if switching from the worst market offer (ReAmped Energy) to the best (Mojo Power).**<sup>13</sup> See figure 4 in section 6.

<sup>10</sup> We have assumed typical residential annual gas consumption in Queensland to be 10,000MJ per annum while in Victoria, for example, we base it on 63,000MJ.

<sup>11</sup> Based on AGL and Origin's standing offers (average) as of July 2021. Presented as annual bills for households using 8,000kWh per annum (flat rate).

<sup>12</sup> Based on electricity offers post July 2021 as annual bills, Tariff 11, 8,000kWh, bills including discounts and FIT credits for Brisbane customers with 3 kW solar systems.

<sup>13</sup> Ibid.

# 1. Energy price changes from July 2020 to July 2021

On 1 July 2019, the Australian Energy Regulator’s (AER) initial Default Market Offer (DMO) took effect in South East Queensland. The DMO replaced the previously retailer-set standing offers. The AER’s DMO is expressed as an annual bill for a set consumption level and retailers are still able to “translate the annual amount into different tariff structures”.<sup>14</sup> The Regulations stipulate that retailers must structure their prices to not exceed the annual DMO price for that consumption level.<sup>15</sup> In both July 2020 and July 2021, the price of the DMO decreased.

The DMO prices for single rate and controlled load tariffs in Queensland are listed in Table 1 below.<sup>16</sup>

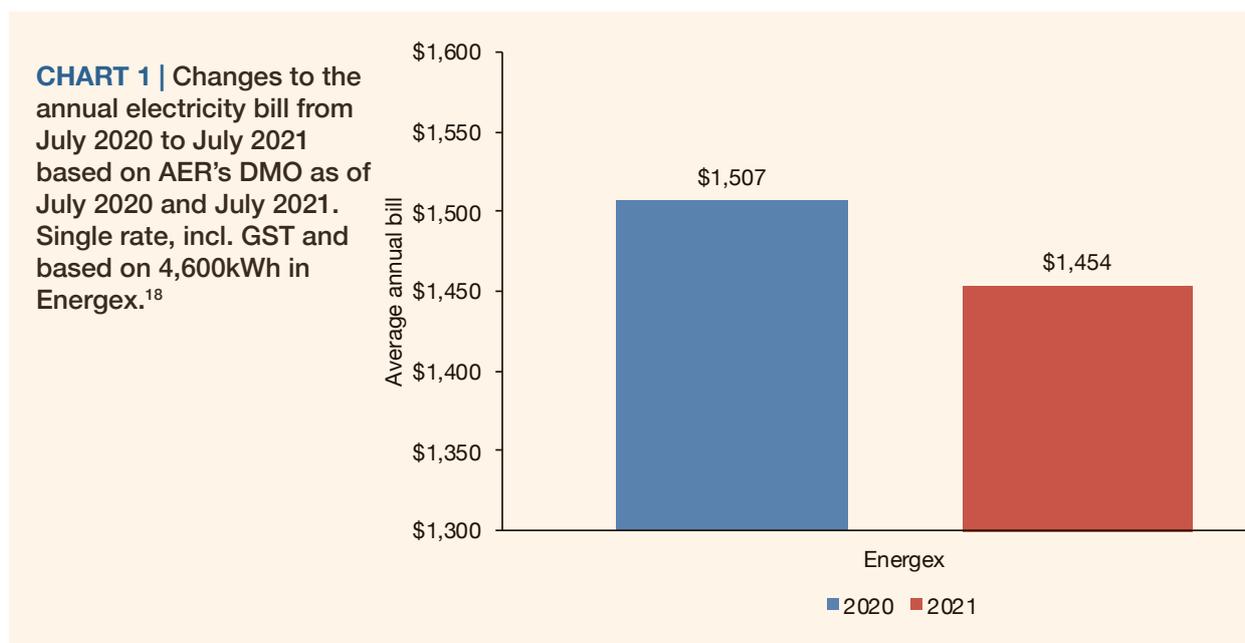
**TABLE 1 | Residential DMO prices in QLD for 2021-22 (including GST)<sup>17</sup>**

Energex	
<b>SINGLE / FLAT RATE</b>	
Annual bill	\$1,455
Consumption level	4,600 kWh/annum
<b>CONTROLLED LOAD<sup>^</sup></b>	
Annual bill	\$1,741
Consumption level	6,300 kWh/annum

<sup>^</sup>Approximately 30% of the annual consumption is allocated to the controlled load tariff.

The DMO price decreased further in July 2021. Charts 1 and 2 below show changes to annual bills from July 2020 to July 2021 for households on the DMO (single rate and controlled load) in the Energex network. These bill calculations are based on the consumption levels used by the AER to set the DMO (see Table 1 above).

Chart 1 shows that the current DMO, for customers on the single rate, produces an annual bill that is approximately \$50 less (3.5%) than the DMO for 2020/21.



14 AER, Default Market Offer Prices 2020-21, Final Determination, April 2020, 9

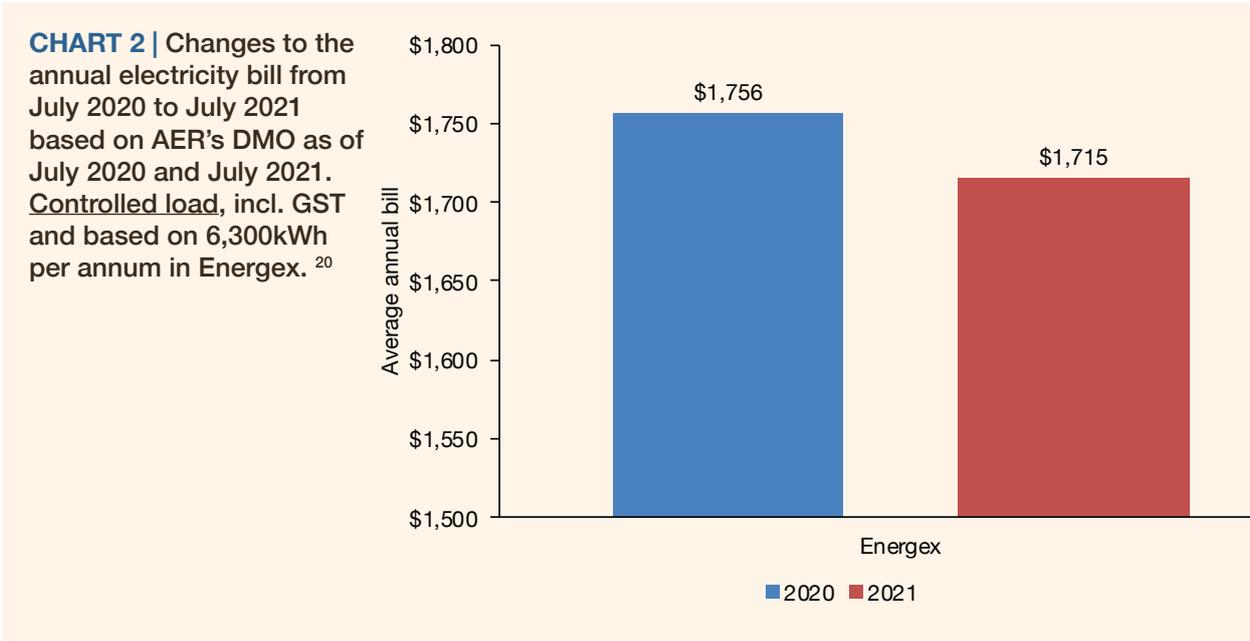
15 Ibid., 9

16 Ibid., 8

17 Note that AER does not state to which controlled load tariff (31 or 33) these residential DMO prices apply to.

18 Annual bill calculations based on AGL and Origin Energy’s average DMO

For controlled load tariffs, Chart 2 shows that the current DMO in Energex produces an annual bill that is approximately \$40 less (2.3%) than the DMO for 2020/21.<sup>19</sup>



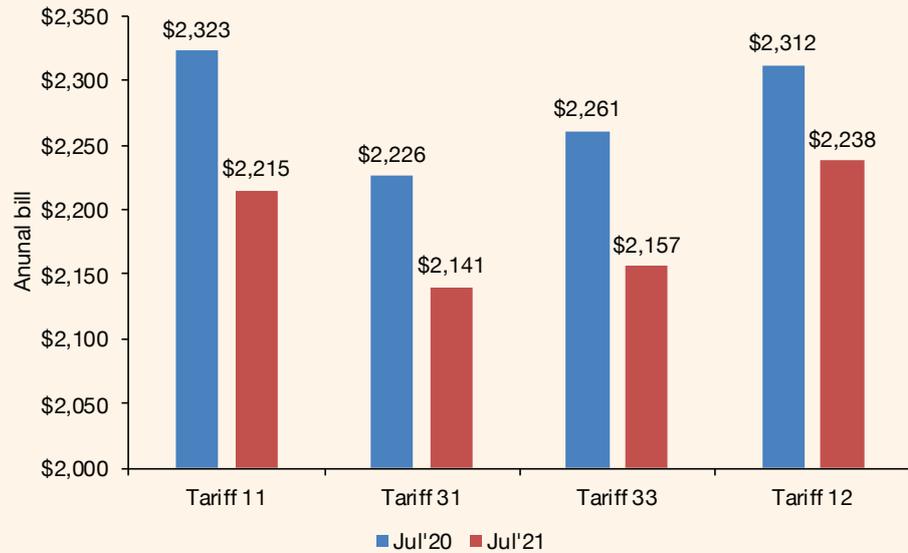
As the Tariff-Tracking project aims to monitor and assess changes to energy prices over time, the remaining analysis presented in this report will be based on the consumption levels previous Tariff-Tracking reports have used for Queensland. That is 8,000 kWh per annum for electricity customers and 10,000 MJ per annum for households with gas.

Chart 3 shows changes to the host retailers' annual DMO/standing offer bills from July 2020 to July 2021 for average consumption households in the Energex network. It shows that the average annual bill has decreased for all four tariff types. For Tariff 11, the average annual bill has decreased by approximately \$110 (5%). Table 2 below shows the decreases to annual bills by tariff type.

<sup>19</sup> Note that our calculation is based on controlled load tariff 31 and the annual bill would be slightly higher for controlled load tariff 33.

<sup>20</sup> Annual bill calculations based on AGL and Origin Energy's average DMO

**CHART 3 |** Changes to annual DMO/standing offer bills from July 2020 to July 2021, 8,000kWh per annum, GST inclusive<sup>21</sup>

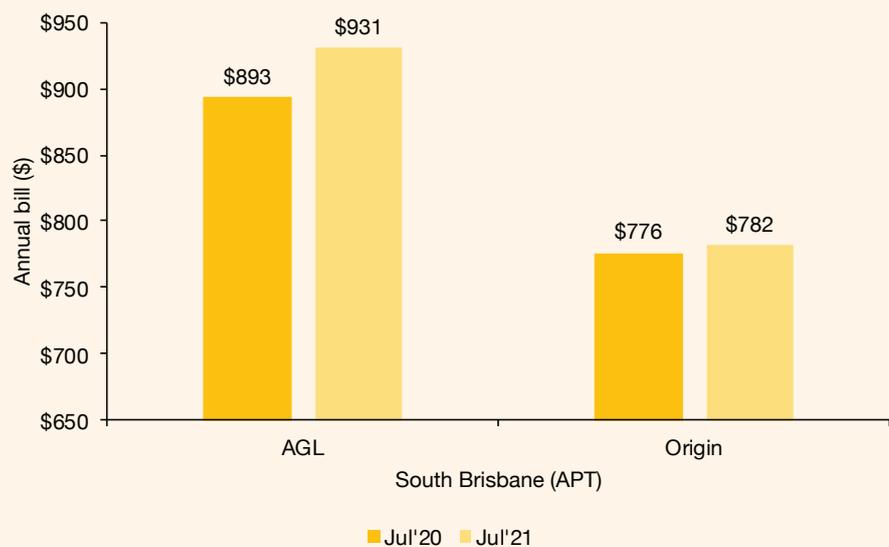


**TABLE 2 |** Decreases to annual bills for electricity by tariff type July 2020 – July 2021<sup>22</sup>

	Tariff 11	Tariff 31	Tariff 33	Tariff 12
<b>\$ Decrease</b>	-\$108	-\$85	-\$105	-\$74
<b>% Decrease</b>	-5%	-4%	-5%	-3%

Gas bills have remained largely the same or increased in all gas pricing zones between July 2020 and July 2021. Origin continues to offer the lowest gas bill in both Brisbane North and Brisbane South. In the Brisbane South gas zone, AGL has increased their prices while Origin Energy’s prices have remained relatively unchanged compared to July 2020. See chart 4. In the Brisbane North gas zone, Origin Energy has increased their prices while AGL’s prices have remained unchanged. See Chart 5.

**CHART 4 |** Annual gas bills from July 2020 to July 2021, 10,000MJ - South Brisbane & South Queensland<sup>23</sup>



21 Based Origin and AGL’s DMO/standing offers. For Tariff 31 and 33, 15% of consumption has been allocated to off-peak rates. For Tariff 12, the allocations are: 20% peak, 55% shoulder and 25% off-peak.

22 Ibid.

23 AGL and Origin’s standard rates and customers using 10,000MJ per annum.

**CHART 5 | Annual gas bills from July 2020 to July 2021, 10,000MJ - North Brisbane & Ipswich<sup>24</sup>**



For the other Envestra/AGN pricing zones, annual bills have increased by around \$5 (less than 1%) for the Northern retail area and by approximately \$35 (7.5%) for the Wide Bay area. See Chart 6.

**CHART 6 | Annual gas bills as of July 2020 and July 2021, 10,000MJ – Origin’s rates in the Northern retail area and Wide Bay<sup>25</sup>**

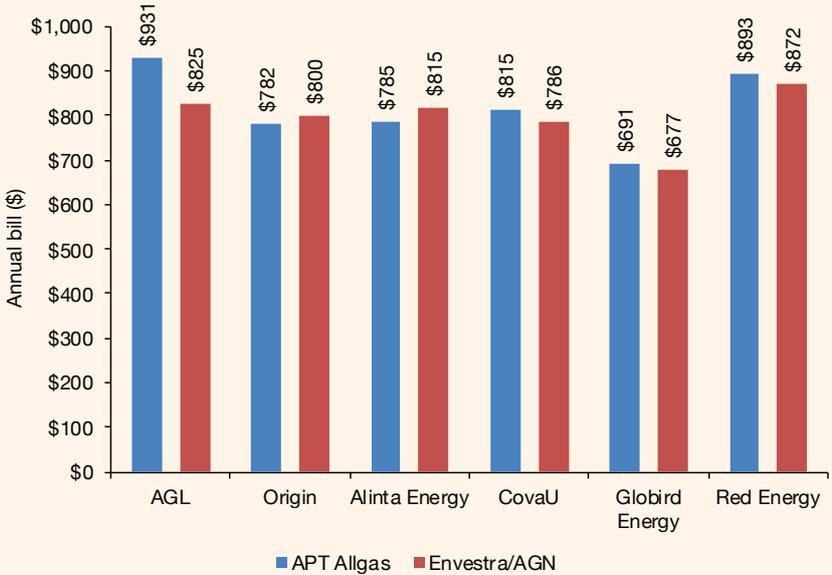


While the majority of customers are with AGL and Origin Energy, four additional retailers (Alinta, Covau, GloBird and Red Energy) also offer gas to residential customers. Chart 7 shows annual gas standing offer bills for all retailers in the Envestra/AGN North (Brisbane North) and APT Allgas (Brisbane South) areas. It shows that GloBird’s standing offers produce the lowest bills in both gas zones.

<sup>24</sup> Ibid.

<sup>25</sup> The Northern retail area covers Rockhampton and Gladstone and the Wide Bay area covers Bundaberg, Maryborough and Hervey Bay. Origin is the only retailer with offers for residential customers in these areas. Bill estimates based on customers using 10,000MJ per annum.

**CHART 7 | Annual standing offer gas bills as of July 2021, 10,000MJ – All retailers in the AGN North and APT Allgas retail areas**



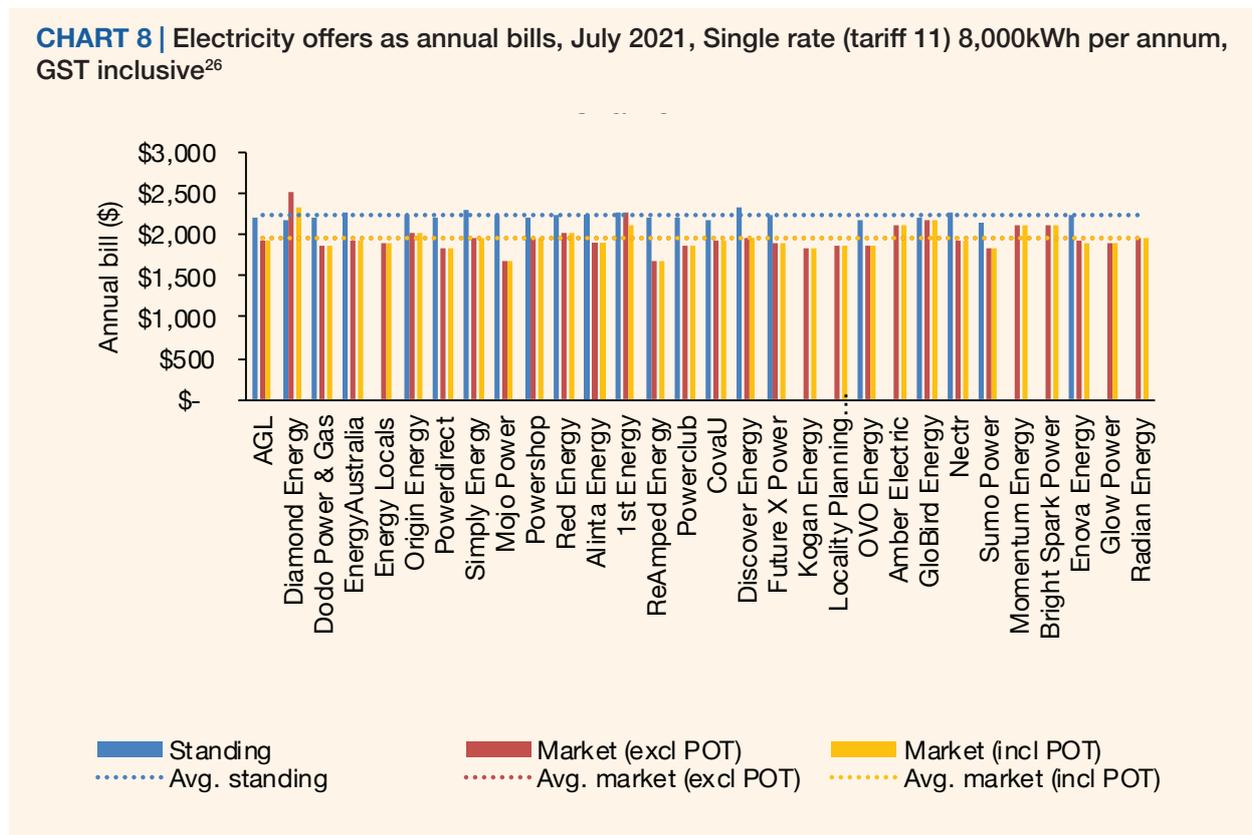
## 2. Market offers post July 2021

### 2.1 Electricity market offers post July 2021

Chart 8 below shows that the average annual bill for households using 8,000kWh per annum is around \$2,220 for standing offer customers and \$1,940 for market offer customers (including additional discounts). Since the introduction of the DMO in July 2019, many retailers have moved away from pay on time discounts to offer guaranteed discounts or no discount at all, and this trend is continuing in July 2021.

Compared to last year (July 2020), the average market offer (inclusive of additional discounts) has decreased by almost \$90 or around 4%.

**CHART 8 | Electricity offers as annual bills, July 2021, Single rate (tariff 11) 8,000kWh per annum, GST inclusive<sup>26</sup>**



Market offers often include features such as discounts on consumption rates, vouchers, sign-up credits, loyalty bonuses and discounts if bills are paid on time or paid by direct debit. Consumers assessing market offers should take these additional features into account and be aware of contract conditions such as late payment fees, the length of the contract and fees for exiting the contract early.

Charts 9-12 below show the difference in annual bills between retailers' standing offers and market offers based on guaranteed discounts (if any), as well as market offers including pay on time discounts (if any) for tariff 11, 31, 33 and 12. Tariff 11 customers on AGL and Origin's standing offers can save between \$530 and \$550 by switching to the best market offer (ReAmped Energy). If the same standing offer customers switched to Diamond Energy, however, they would be between \$110 and \$130 worse off.

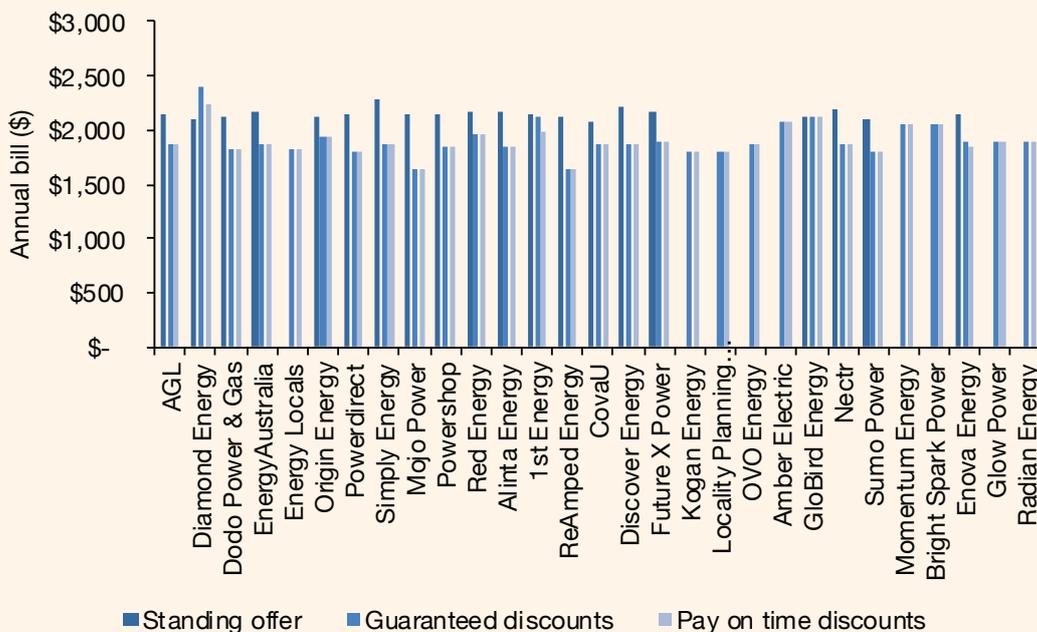
<sup>26</sup> The retail offers were collected from the retailers' websites in July and August 2021 and it must be noted that retailers may change their rates at any time. Annual bill calculations shown as green columns include guaranteed discounts and pay on time discounts. Note that Energy Locals, Kogan Energy, Amber Electric, Local Planning Electricity, Momentum, Bright Spark Power, Glow Power and Radian Energy do not have a published standing offer.

The maximum difference, or price spread, between annual bills for market offers (including additional discounts) is \$660 for tariff 11, \$600 for tariff 31 and tariff 33, and \$885 for tariff 12.

**CHART 9 |** Tariff 11: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2021 (8,000kWh per annum, including GST).



**CHART 10 |** Tariff 31: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2021 (8,000kWh per annum, 15% off-peak, including GST).



**CHART 11 |** Tariff 33: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2021 (8,000kWh per annum, 15% off-peak, including GST).



**CHART 12 |** Tariff 12: Annual bills based on guaranteed discounts vs. pay on time discounts as of July 2021 (8,000kWh per annum, 20% peak, 55% shoulder and 25% off-peak, including GST).

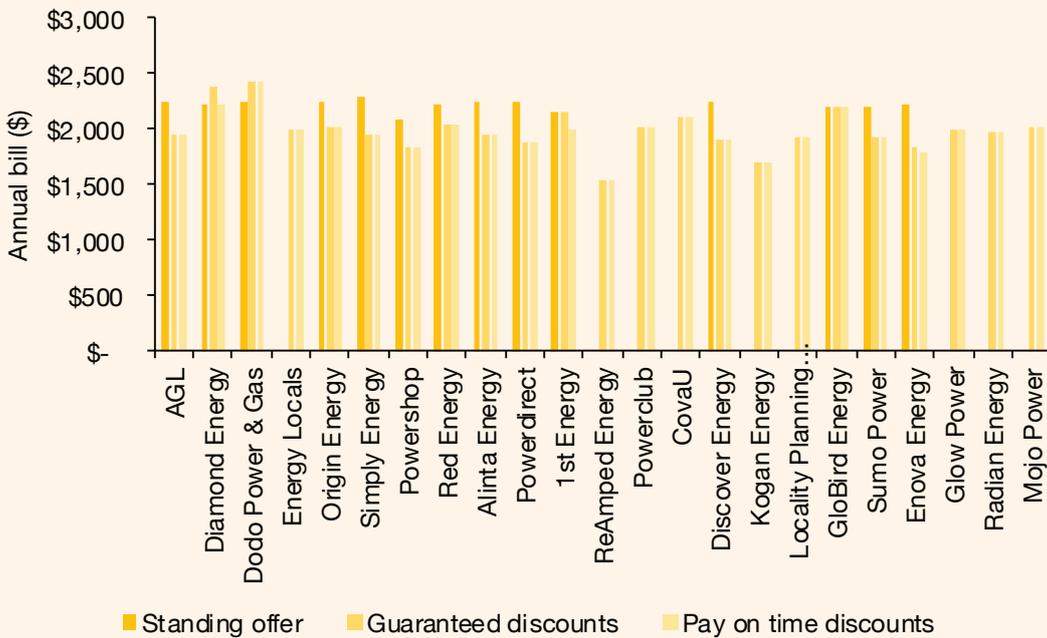


Figure 1 below shows estimated annual bills for market offers post discounts ranked from the lowest annual bill to the highest (for Tariff 11).<sup>27</sup>

**FIGURE 1 |** Lowest to highest annual bills (incl GST) for market offers post July 2021, including discounts and pay on time discounts - Households consuming 8,000kWh per annum (Tariff 11)

	ReAmped Energy	\$1,677		Enova Energy	\$1,890		Radian Energy	\$1,951
	Mojo Power	\$1,680		Alinta Energy	\$1,899		Powershop	\$1,962
	Sumo Power	\$1,836		Glow Power	\$1,903		Origin Energy	\$2,002
	Kogan Energy	\$1,840		Future X Power	\$1,906		Red Energy	\$2,011
	Powerdirect	\$1,844		Nectr	\$1,910		Amber Electric	\$2,105
	Locality Planning Energy	\$1,849		CovaU	\$1,927		Momentum Energy	\$2,106
	Dodo Power & Gas	\$1,851		AGL	\$1,932		1st Energy	\$2,109
	OVO Energy	\$1,866		EnergyAustralia	\$1,939		Bright Spark Power	\$2,120
	Powerclub	\$1,868		Discover Energy	\$1,947		GloBird Energy	\$2,170
	Energy Locals	\$1,890		Simply Energy	\$1,948		Diamond Energy	\$2,337

The discounts (including pay on time discounts) used to estimate annual bills for Charts 9-12, as well as Figure 1, above are shown in table 3 below. Table 3 also shows other contract terms and features, such as early termination fees, associated with these market offers. Some of the retailers have multiple market offers and may offer higher discounts than those listed here. However, if discounts are higher they are typically tied to other conditions such as payment by direct debit, e-billing or dual fuel contracts.

**TABLE 3 |** Published electricity market offers, effective as of July 2021: Key additional features and contract conditions

Retail product	Guaranteed discounts	Pay on time discounts	ETF*	LPF*	Shortened billing cycle <sup>^</sup>	Offer took effect
<b>AGL</b> Flexible Saver	No	No	No	\$12.73	No	7/7/21
<b>Diamond Energy</b> Renewable Saver	No	7% off bill	No	\$12	No	1/10/20
<b>Dodo Power &amp; Gas</b> Market offer	No	No	No	No	No	1/7/21
<b>Energy Australia</b> Total Plan Home	14% off bill	No	No	\$12	No	1/7/21
<b>Energy Locals</b> Online Member	No	No	No	\$12	No	16/10/20

<sup>27</sup> These bill estimates are based on rates published on the retailers' websites in mid-July 2021 and it must be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

Retail product	Guaranteed discounts	Pay on time discounts	ETF*	LPF*	Shortened billing cycle^	Offer took effect
<b>Origin Energy</b> Go Variable	No	No	No	\$12	No	1/7/21
<b>Powerdirect</b> Rate Saver	No	No	No	\$12.73	No	7/7/21
<b>Simply Energy</b> Energy Saver	15% off bill	No	No	\$12	No	1/7/21
<b>Mojo Power</b> All Day Breakfast	No	No	No	\$12	No	2/7/21
<b>Powershop</b> Carbon Neutral	No	No	No	No	Yes	15/6/21
<b>Red Energy</b> Living Easy Saver	No	No	No	No	No	1/7/21
<b>Alinta Energy</b> Home Deal	No	No	No	No	Yes	1/7/21
<b>1<sup>st</sup> Energy</b> 1 <sup>st</sup> Saver	No	7% off bill	No	No	Yes	1/7/21
<b>ReAmped Energy</b> Advance	No	No	No	No	Yes	9/7/21
<b>Powerclub</b> Powerbank Home	No	No	No	No	Yes	1/7/21
<b>CovaU</b> Freedom Plus	15% off bill	No	No	\$15	No	1/7/21
<b>Discover Energy</b> Smart Saver	18% off usage	No	No	\$12	No	1/7/21
<b>Future X Power</b> Flexi Saver	No	No	No	\$12	Yes	6/8/20
<b>Kogan Energy</b> Market offer	No	No	No	No	Yes	15/6/21
<b>Locality Planning Energy</b> LPE Mates Rates	No	No	No	\$14	No	1/7/21
<b>OVO Energy</b> The One Plan	No	No	No	No	Yes	1/7/21
<b>Amber Electric</b> Amber Plan	No	No	No	\$16	Yes	1/7/21
<b>GloBird Energy</b> Sure Save	No	No	No	No	No	1/7/21
<b>Nectr</b> Friends Clean	No	No	No	No	Yes	1/7/21
<b>Sumo Power</b> Assure	No	No	No	No	Yes	13/8/20
<b>Momentum Energy</b> Smile Power Flexi	No	No	No	No	No	1/7/21
<b>Bright Spark Power</b> 12 month contract	No	No	No	No	Yes	1/7/21
<b>Enova Energy</b> Community Plus	No	3% off usage	No	No	No	21/1/21
<b>Glow Power</b> Everyday Saver	No	No	No	No	Yes	3/2/21
<b>Radian Energy</b> Grid to Go	No	No	No	\$15	Yes	4/5/21

\* ETF = Early Termination Fee and LPF = Late Payment Fee

^ If yes, the offer has a mandatory shortened billing cycle (monthly billing)

As some retailers apply the same rates as the regulated rates to their market offer and then offer discounts, it is important that customers are aware that these discounts can be conditional upon bills being paid on time. Pay on time discounts, combined with late payment fees on market offers, means that Queensland households can be significantly penalised for late payment.<sup>28</sup> Or conversely, Queensland households can be significantly rewarded for prompt payment. It does, however, highlight an issue that negatively impacts on households with cash-flow problems. Since the introduction of the DMO, however, many electricity retailers have moved away from pay on time discounts to offer guaranteed discount or no discount at all.

Table 4 below shows that paying late can become very expensive on some market offers. Households on the Diamond Energy’s offer, for example, would be approximately \$225 worse off if they pay late compared to paying on time. 1<sup>st</sup> Energy customers would be \$160 worse off if they pay their bills after the due date. As most retailers bill customers quarterly, these numbers are based on four late payment fees (where applicable) per annum. As outlined in table 3 above, however, some retailers issue monthly bills and customers can therefore be charged up to \$192 per annum in late payment fees alone.<sup>29</sup>

**TABLE 4 | Electricity offers as of July 2021: Difference (\$) in annual bill between paying all bills on time vs. paying all bills late (based on 8,000kWh and 4 bills per annum)**

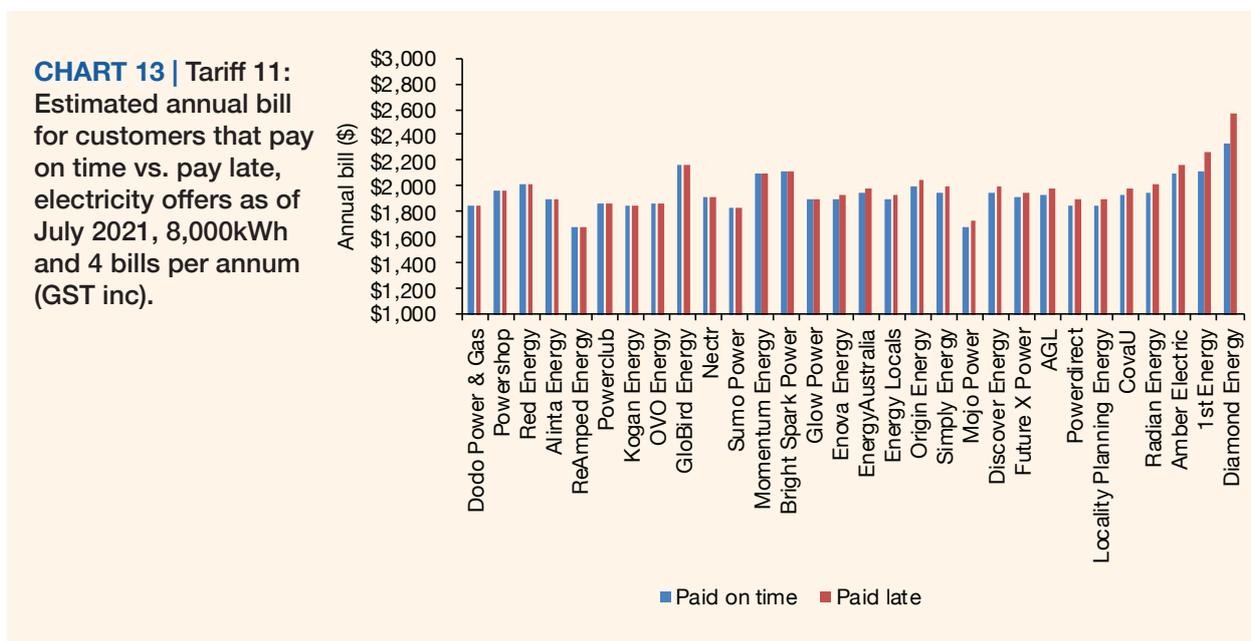
	Tariff 11 (\$)
Diamond Energy	\$224
1st Energy	\$159
Amber Electric	\$64
CovaU	\$60
Radian Energy	\$60
Locality Planning Energy	\$56
AGL	\$51
Powerdirect	\$51
EnergyAustralia	\$48
Energy Locals	\$48
Origin Energy	\$48
Simply Energy	\$48
Mojo Power	\$48
Discover Energy	\$48
Future X Power	\$48
Enova Energy	\$48
Dodo Power & Gas	\$0
Powershop	\$0
Red Energy	\$0
Alinta Energy	\$0
ReAmped Energy	\$0
Powerclub	\$0

28 The National Electricity Retail Law (Queensland), Section 22A(4), does not permit retailers to apply late payment fees to the regulated offer. See <https://www.legislation.qld.gov.au/view/html/inforce/current/act-2014-nerlq#sec.22A>

29 Based on Amber Electric’s late payment fee of \$16.

Tariff 11 (\$)	
Kogan Energy	\$0
OVO Energy	\$0
GloBird Energy	\$0
Nectr	\$0
Sumo Power	\$0
Momentum Energy	\$0
Bright Spark Power	\$0
Glow Power	\$0

Chart 13 below shows the estimated annual electricity bill (tariff 11) for customers that always pay on time and for those who always pay late.

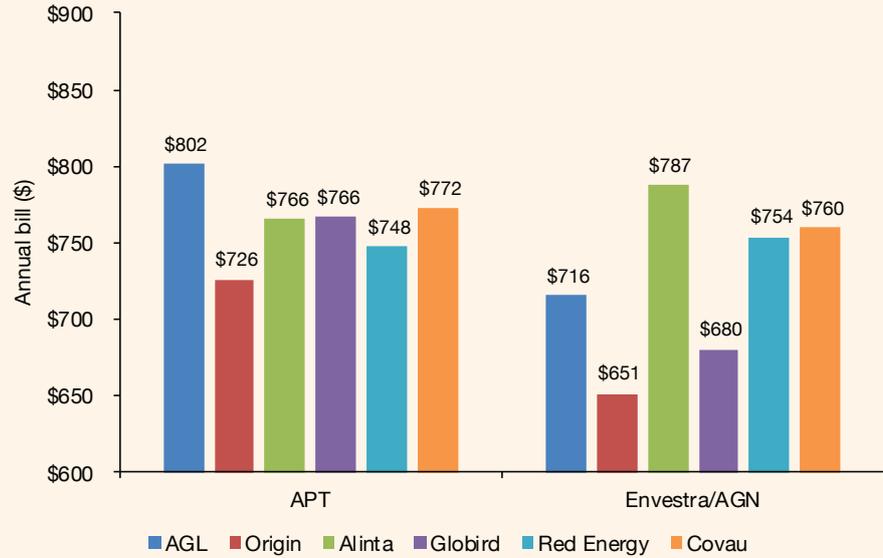


## 2.2 Gas market offers post July 2021

There are no regulated gas offers in Queensland and currently AGL, Origin Energy, Alinta Energy, GloBird Energy, Red Energy and Covau have gas market offers for residential consumers. As only North Brisbane (including Ipswich) and South Brisbane (including Gold Coast, Toowoomba, Oakey) have more than one market offer, this analysis only comprises market offers in these two areas.<sup>30</sup> Chart 14 below shows that Origin Energy has the lowest rates (exclusive of discounts) in both the Envestra/AGN zone and the APT zone. The average market offer (exclusive of discounts) has remained unchanged since July 2020.

<sup>30</sup> Gas customers in Rockhampton, Gladstone, Bundaberg, Maryborough and Hervey Bay only have access to Origin's market offers.

**CHART 14 | Gas market offer rates as annual bills (excluding discounts), Post July 2021 (10,000MJ per annum)**



The calculations for the market offers in chart 13 include their rates only (cost per MJ and fixed charges) and do not include other market offer features such as discounts on consumption rates, vouchers, sign-up credits, loyalty bonuses and discounts if bills are paid on time. Consumers assessing market offers should take these additional features into account and be aware of contract conditions such as late payment fees, the length of the contract and fees for exiting the contract early.

**TABLE 5 | Published gas market offers in the APT and Envestra/AGN gas zones as of July 2021: Key features and contract conditions**

	Guaranteed discounts	Pay on time discounts	ETF*	LPF*	Contract term/Limited benefit period	Offer took effect
<b>AGL</b> Flexible Saver	No	No	No	\$12.73	No	13/7/21
<b>Origin Energy</b> Go Variable	No	No	No	\$12	12 months	1/7/21
<b>Alinta Energy</b> Home Deal	No	No	No	No	No	1/7/21
<b>GloBird Energy</b> GloSave	No	No	No	No	No	1/7/21
<b>Red Energy</b> Living Energy Saver	No	No	No	No	No	1/7/21
<b>Covau</b> Freedom	15% off usage	No	No	\$15	No	1/7/20

\* ETF = Early Termination Fee and LPF = Late Payment Fee

The discounts used to estimate annual bills for Figures 2 and 3, as well as charts 15-16 below, are shown in table 5 above. Table 5 also shows other contract terms and features, such as late payment fees, associated with these market offers.

The difference between the best and the worst market offers is less for gas than electricity. The difference between the highest and the lowest market offers post discounts is of approximately \$80 in the APT zone (Brisbane South) and around \$135 in the Envestra/AGN zone (Brisbane North). The average market offer (inclusive of discounts) has increased by \$10 since July 2020.

Figures 2 and 3 below show estimated annual bills for gas market offers post discounts in the APT and Envestra/AGN gas zones.<sup>31</sup>

**FIGURE 2 | APT gas zone: Lowest to highest annual bills (incl GST) for market offers post July 2021, including discounts and pay on time discounts - Households consuming 10,000MJ per annum**

	Covau	\$720
	Origin	\$726
	Red Energy	\$748
	Alinta	\$766
	GloBird	\$766
	AGL	\$802

**FIGURE 3 | Envestra/AGN gas zone: Lowest to highest annual bills (incl GST) for market offers post July 2021, including discounts and pay on time discounts - Households consuming 10,000MJ per annum**

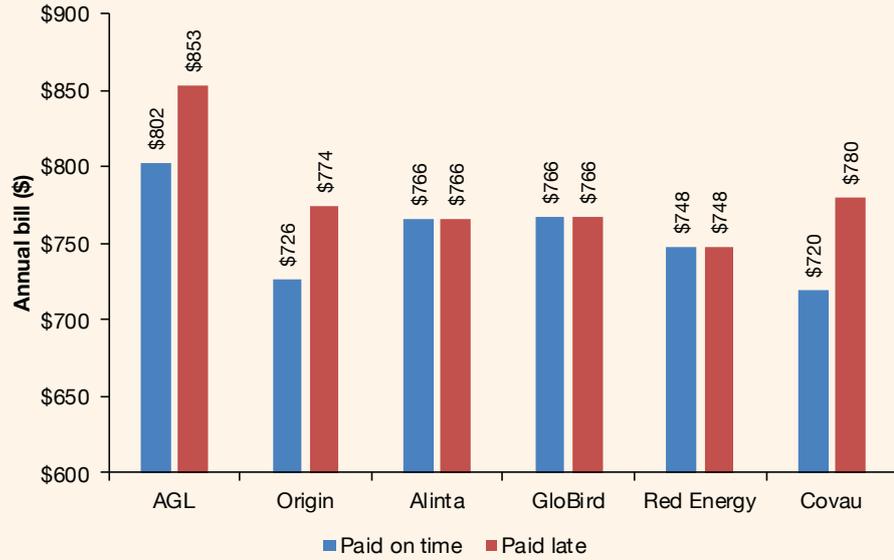
	Origin	\$651
	GloBird	\$680
	Covau	\$691
	AGL	\$716
	Red Energy	\$754
	Alinta	\$787

Charts 15-16 below show the estimated annual gas bill for customers that always pay on time and customers who do not, for published gas offers in the APT and Envestra/AGN gas zones. For AGL, Origin and Covau customers, charts 15 and 16 show that annual bills are between \$50 and \$60 less for prompt payers compared to late payers. This difference reflects the retailers' late payment fees of \$12 to \$15 that may be applied to each quarterly bill.<sup>32</sup>

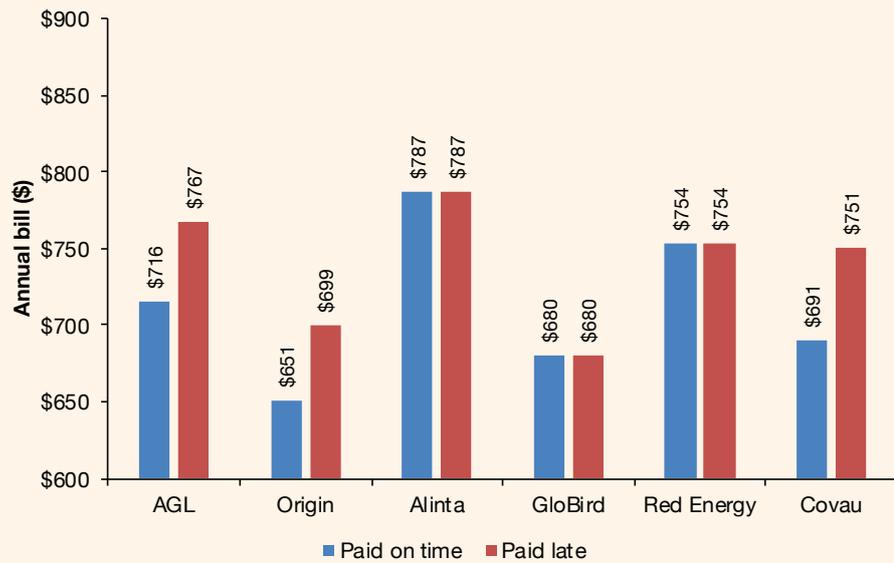
<sup>31</sup> These bill estimates are based on rates published on the retailers' websites in mid-July 2021 and it must be noted that retailers may change their rates at any time.

<sup>32</sup> Note that Alinta, GloBird and Red Energy do not charge a late payment fee.

**CHART 15 | APT gas zone:** Estimated annual bills for customers that pay on time vs. pay late, gas offers as of July 2021 (10,000MJ, GST incl)<sup>33</sup>



**CHART 16 | Envestra/AGN gas zone:** Estimated annual bills for customers that pay on time vs. pay late, gas offers as of July 2021 (10,000MJ, GST incl)<sup>34</sup>



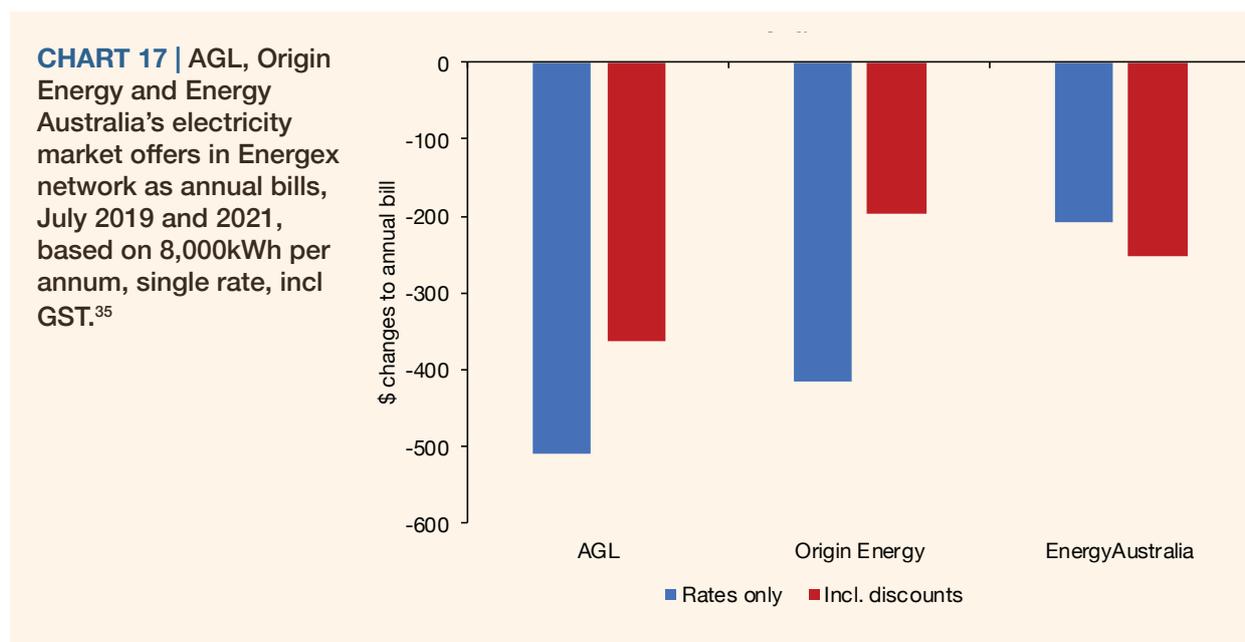
<sup>33</sup> Annual bill calculation includes discounts, pay on time discounts and late payment fees as per energy offer.

<sup>34</sup> Ibid.

### 3. The Default Market Offer (DMO) and market changes

As discussed above (section 1), the DMO regulation stipulates that retailers must structure their prices to not exceed the annual DMO price for a set consumption level. In relation to other market offers, however, the retailers can set their own prices.

Chart 17 below shows changes to AGL, Origin Energy and Energy Australia’s market offer bills from July 2019 to July 2021. The blue columns show reduction to base rates while the red columns show reduction to bills inclusive of discounts. While all three retailers have reduced their rates since July 2019 the reduction to annual bills inclusive of additional discounts is lower for both AGL and Origin Energy. In the case of Origin Energy, the base rate has decreased with around \$415 per annum since July 2019, but as additional discounts have been removed, the actual bill (inclusive of guarantee and/or pay on time discounts) has decreased by less than \$200. When the DMO took effect in July 2019, AGL, Origin Energy and Energy Australia offered guaranteed discounts of between 6 and 11%. As of July 2020, AGL ceased offering additional discounts, and currently (July 2021) only Energy Australia still offers an additional discount (guaranteed) of 14% off the bill. This means that while base rates have decreased for all three retailers, some AGL and Origin Energy customers that used to receive high additional discounts will not have received a bill reduction as high as the decrease in base rates.

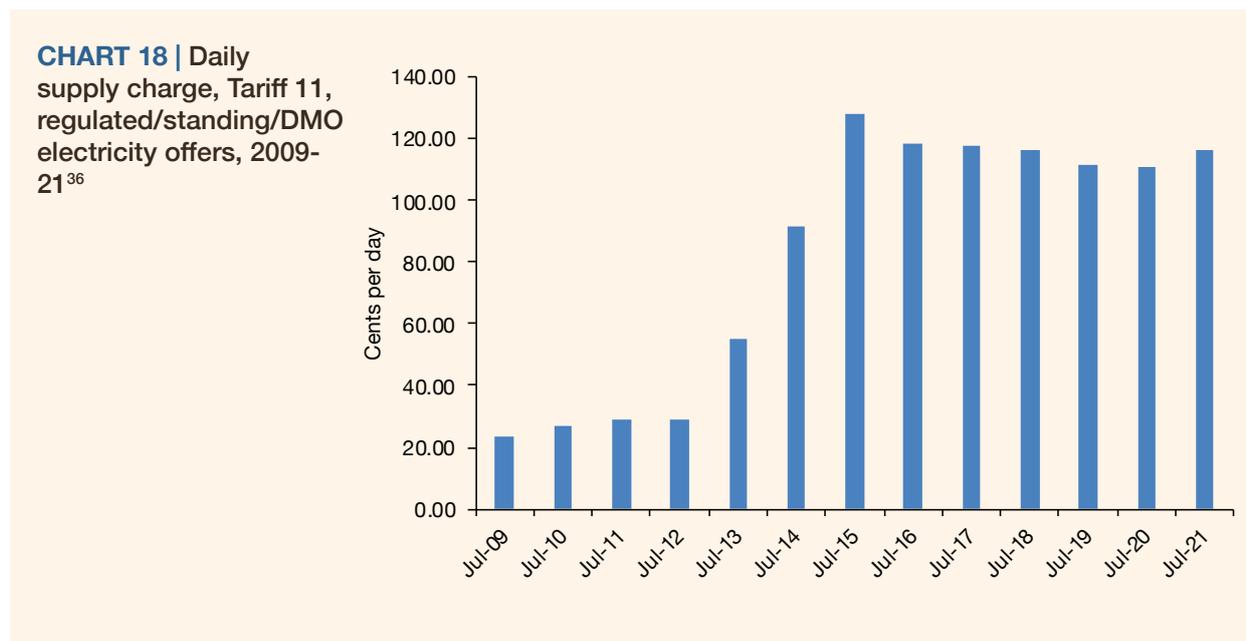


<sup>35</sup> As both AGL and Origin Energy have discontinued their offers and introduced new market offers over this period, this analysis is based on market offers deemed best value as well as “standard” (e.g. no direct debit requirements, fixed prices etc.) in both July 2019 and July 2021. The offers used for this comparison (2019/2021) are: AGL (Smart Saver/Flexible Saver) and Origin Energy (Flexi/Go Variable).

## 4. Supply charges

### 4.1 Electricity supply charges

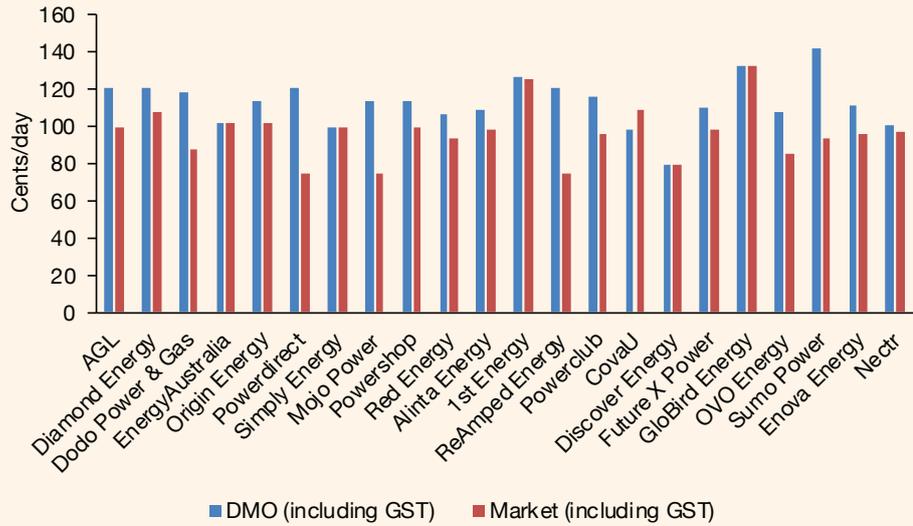
The supply charge is a fixed daily charge that is paid in addition to the consumption charges for electricity used. In Queensland the supply charge for single rate electricity customers (tariff 11) has increased by 5% since July 2020. The average supply charge (based on AGL and Origin's standing offers) is over 116 cents per day meaning that households pay around \$425 per annum in fixed charges. Chart 18 below shows the changes to the daily supply charge from July 2009 to July 2021.



The supply charge varies between retailers. Chart 19 shows that most retailers apply higher fixed supply charges to their DMOs than their market offers, while some (Energy Australia, Simply Energy, Discover Energy and GloBird) apply the same supply charge to DMOs and market offers. Only one retailer applies higher supply charges to their market offer than they do to the DMO. Furthermore, it shows that GloBird's market offer supply charge is almost 58 cents/day higher than ReAmped Energy's market offer supply charge.

<sup>36</sup> The 2016, 2017, 2018, 2019, 2020 and 2021 charges are based on AGL and Origin's average supply charge

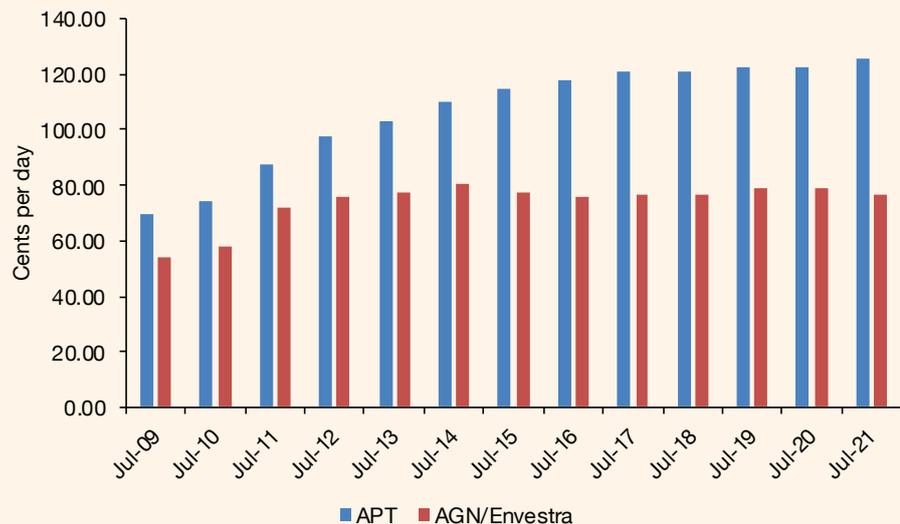
**CHART 19 | Daily supply charge July 2020, Tariff 11, Cents/day incl. GST<sup>37</sup>**



## 4.2 Gas supply charges

In July 2021, the average fixed supply increased slightly in the APT (Brisbane South) distribution zone while it decreased slightly in the Envestra/AGN (Brisbane North) zone in comparison to July 2020. The average gas supply charge is just under 126 cents/day in the APT distribution area and approximately 77 cents/day in the Envestra/AGN (Brisbane North) pricing zone. This effectively means that South Brisbane households (APT zone) pay close to \$460 per annum in order to be connected to natural gas. Chart 20 below shows changes to the gas supply charge from July 2009 to July 2021 for both gas zones.

**CHART 20 | Gas supply charges from July 2009 to July 2021, Cents per day<sup>38</sup>**



<sup>37</sup> Note that Energy Locals, Kogan Energy, Locality Planning Energy, Amber Electric, Momentum, Bright Spark, Glow Power and Radian Energy are not included in this chart as they have no published DMO offer for Tariff 11.

<sup>38</sup> Based on the average gas supply charge (AGL and Origin) for the standard gas offer.

The average domestic gas consumption in Queensland is relatively low and as such the supply charges comprise a significant proportion of the annual gas bill.<sup>39</sup> For households consuming 10,000MJ per annum in the APT gas zone, the supply charge makes up 52-55% of the annual bill, depending on the retailer. In the Envestra/AGN zone (Brisbane North), the supply charge makes up around 35% of the annual bill (for the same consumption level).

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<sup>39</sup> We have assumed typical residential annual gas consumption in Queensland to be 10,000MJ per annum while in Victoria we base it on 63,000MJ.

## 5. Network charges

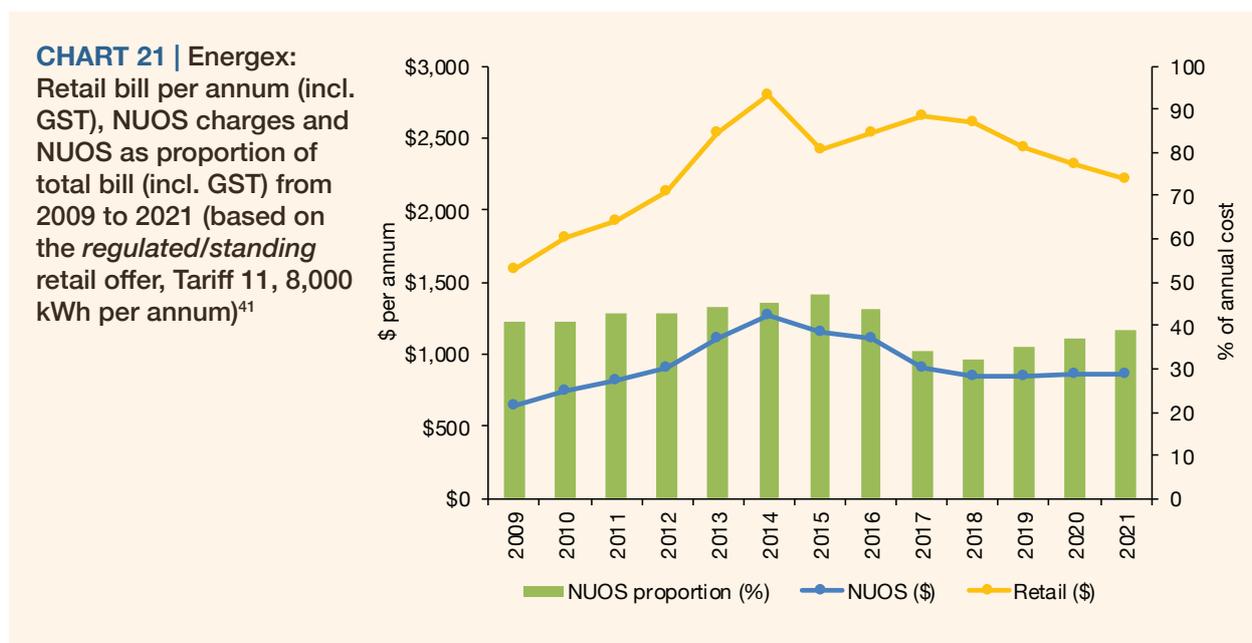
This section examines changes to electricity network charges since 2009 and gas distribution charges since 2019.

### 5.1 Electricity network charges

The Queensland electricity networks, Energex and Ergon, introduce new Network Use of System (NUOS) charges as of 1 July every year. These NUOS charges are approved by the Australian Energy Regulator (AER) and comprise Transmission Use of System (TUOS) and Distribution Use of System (DUOS) and the retailers can, and generally will, build changes to the NUOS (in relation to both shape and price) into their retail tariffs.

Chart 21 shows annual retail bills (yellow line), NUOS charges as annual cost (blue line) and NUOS as proportion of annual bill (columns).<sup>40</sup>

It shows that the NUOS charges declined between July 2014 and July 2018 before slight increases in July 2019, 2020 and 2021. However, as the overall retail bill has decreased, the NUOS proportion of bills has increased. The NUOS proportion of bills is currently 39%.



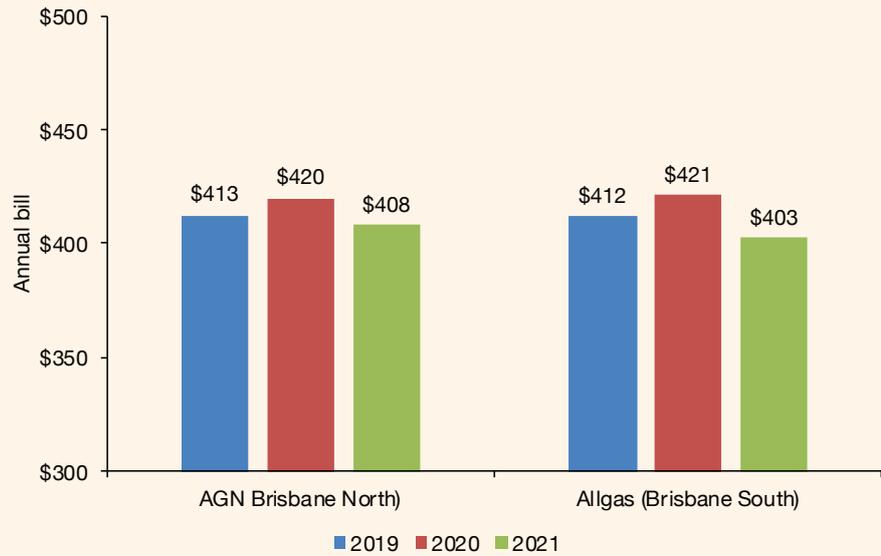
### 5.2 Gas distribution charges

As for electricity, the Queensland gas distributors, Envestra/AGN and APT Allgas, introduce new Distribution Use of System (DUOS) charges as of 1 July every year. A recent addition to the Tariff-Tracking project has been to analyse changes to gas DUOS charges. This analysis includes the two main gas distribution areas: Envestra/AGN North (Brisbane North) and APT Allgas (Brisbane South and the Gold Coast). Chart 22 below shows that the DUOS charges decreased in both areas in July 2021.

<sup>40</sup> The regulated residential retail tariff, which applies to residential customers across Queensland, is based on Energex' network tariff only.

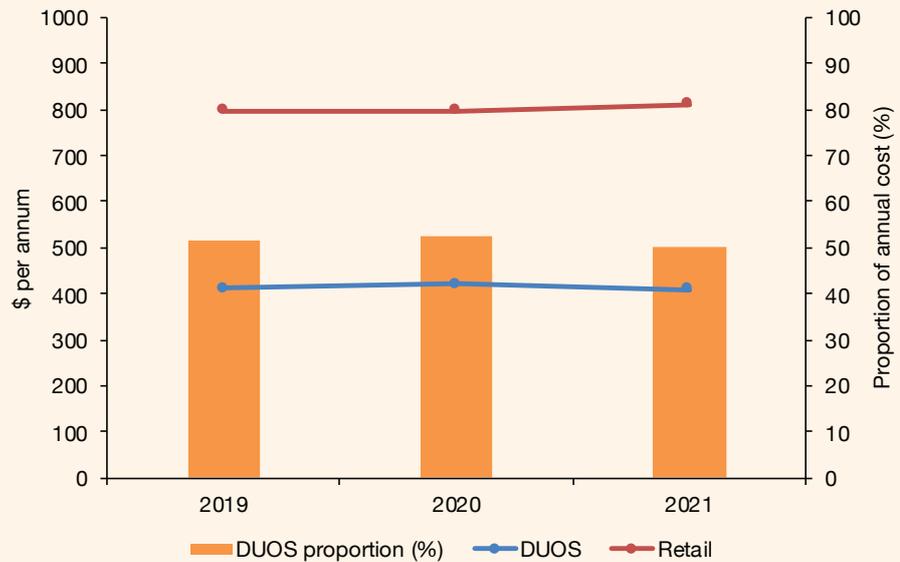
<sup>41</sup> Based on the regulated retail offer rates from 2009 to 2015 and AGL and Origin's standing/DMO offers (average) as of July 2016, 2017, 2018, 2019, 2020 and 2021. Presented as annual bills for households using 8,000kWh per annum (flat rate). The annual NUOS charges have been calculated by allocating 2,000kWh per quarter (again based on annual consumption of 8,000kWh) to the step charges stipulated in the NUOS. The annual NUOS cost also includes fixed charges.

**CHART 22 | Gas DUOS charges as of July 2019, July 2020 and July 2021 for households consuming 10,000 MJ per annum)**



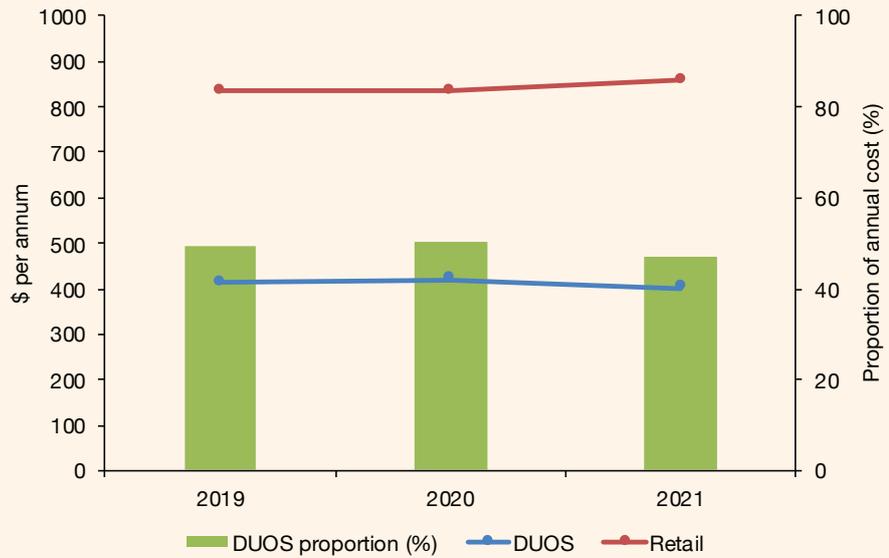
Charts 23 and 24 below show that the DUOS proportion of bills decreased in July 2021 as the average retail bill increased while the DUOS decreased. The DUOS proportion of gas retail bills is currently 50% in Envestra/AGN North and 47% in APT Algas.

**CHART 23 | Envestra/AGN North: Retail bill per annum (incl. GST), DUOS charges and DUOS as proportion of total bill (incl. GST) as of July 2019, July 2020 and July 2021 (based on AGL and Origin's average standing offer, 10,000 MJ per annum)<sup>42</sup>**



<sup>42</sup> Based on AGL and Origin's standing offers (average) as of July 2019, 2020 and 2021. Presented as annual bills for households using 10,000 MJ per annum. The annual DUOS charges have been calculated by allocating 2,500 MJ per quarter (again based on annual consumption of 10,000 MJ) to the step charges stipulated in the DUOS. The annual DUOS cost also includes fixed charges.

**CHART 24 | APT Allgas:**  
Retail bill per annum (incl. GST), DUOS charges and DUOS as proportion of total bill (incl. GST) as of July 2019, July 2020 and July 2021 (based on AGL and Origin's average *standing offer*, 10,000 MJ per annum)<sup>43</sup>



43 Based on AGL and Origin's standing offers (average) as of July 2019 and 2020. Presented as annual bills for households using 10,000 MJ per annum. The annual DUOS charges have been calculated by allocating 2,500 MJ per quarter (again based on annual consumption of 10,000 MJ) to the step charges stipulated in the DUOS. The annual DUOS cost also includes fixed charges.

## 6. Solar offers

There are over 764,000 small scale rooftop solar systems in Queensland.<sup>44</sup> Many of these households are currently receiving a solar feed in rate (FIT) of 44 cents per exported kWh but as these schemes are closed to new entrants, customers currently looking for solar offers need to assess both the retailers' FIT rates as well as the cost of electricity imported.

This section analyses and compares market offer bills for South East Queensland customers with 1.5 kW and 3 kW systems installed.<sup>45</sup> As retailers are not required to publish rates for solar products purchased and installed through them, this analysis only examines electricity offers available to customers independently of solar panels and installation.

### Methodology and assumptions

To calculate the annual bills for the various solar market offers the following assumptions and methodology have been applied:

- ▲ An annual household consumption of 8,000kWh (including both produced and imported).
- ▲ Calculations have been produced for households with 1.5 kW and 3 kW systems only.
- ▲ For Brisbane households, an annual generation capacity per kW installed of 1.736 MWh and an export rate of 53.4% for 3 kW systems and 24.6% for 1.5 kW systems.
- ▲ For rural households, an annual generation capacity per kW installed of 1.857 MWh and an export rate of 56.4% for 3 kW systems and 29.5% for 1.5 kW systems.
- ▲ Only FIT rates available to new customers have been included. Retailer funded FIT rates have been applied as per offer.
- ▲ For tariffs with controlled load, 15% of the total load has been allocated to the off-peak rate.
- ▲ A flat annual consumption has been assumed.
- ▲ The annual bills have been based on quarterly bill calculations and all step increases have been applied as quarterly thresholds (including when the retail offer refers to daily or monthly thresholds). Daily fixed charges have been multiplied by 91 to calculate the quarterly amount.

Many retailers have reduced their FIT rate since July 2020. Others, like Covau, Diamond Energy, Dodo, Globird, Mojo Power, Ovo Energy and Sumo Power have not changed their FIT rates since last year. Only four retailers have increased their FIT rates. Furthermore, some retailers (Reamped Energy, Discover Energy and Enova) now offer a relatively high FIT rate for a set amount of kWh exported each day and a much lower FIT rate for export beyond that. Origin Energy has taken a different approach. It does not have a threshold for daily export but ties the higher FIT rate to a 12 month "benefit period". As of July 2021, the average FIT rate is 7.8 c/kWh compared to 9.5 c/kWh one year ago (July 2020).

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<sup>44</sup> Small scale is defined as systems up to 100 kW. Clean Energy Council, Clean Energy Australia Report 2021, 74

<sup>45</sup> We note that these systems are small compared to the size of the typical systems that are currently being installed. However, as a key objective of the Tariff-Tracker is to compare developments over time, we continue to base the analysis on 3 kW and 1.5 kW systems.

**TABLE 6 | Retailers' FIT rates July 2021**

Retailer	Offer	1 <sup>st</sup> FIT rate (c/kWh)	Threshold	2 <sup>nd</sup> FIT rate (c/kWh)
<b>ReAmped Energy</b>	Solar	17	5 kWh/day	5
<b>Discover Energy*</b>	Solar Smart	16	3.3 kWh/day	10
<b>AGL</b>	Solar Savers	15		
<b>Origin Energy</b>	Solar Boost	13	12 Months	5
<b>Diamond Energy</b>	Renewable Saver POT	12		
<b>1st Energy</b>	Solar Bonus	11		
<b>CovaU</b>	Freedom Plus Solar	11		
<b>Momentum Energy</b>	Solar Step Up	10		
<b>Enova Energy</b>	Solar Premium	10	5 kWh/day	6
<b>Dodo Power &amp; Gas</b>	Market offer	8.5		
<b>EnergyAustralia</b>	Total Plan Home	8.5		
<b>Energy Locals</b>	Online Member	8.5		
<b>OVO Energy</b>	The One Plan	8		
<b>Bright Spark Power</b>	12 Month Contract	7		
<b>Glow Power</b>	Everyday Saver	7		
<b>Powerdirect</b>	Rate Saver	6		
<b>Sumo Power</b>	Assure	6		
<b>Radian Energy</b>	Grid to Go	6		
<b>Mojo Power</b>	All Day Breakfast	5.5		
<b>Locality Planning Energy</b>	LPE Mates Rates (solar)	5.5		
<b>Red Energy</b>	Living Energy Saver	5		
<b>Simply Energy</b>	Energy Saver	4.5		
<b>Future X Power</b>	Flexi Saver	4		
<b>Nectr</b>	Friends Clean	4		
<b>Powershop</b>	Carbon neutral	3.5		
<b>GloBird Energy</b>	SureSave	3		
<b>Kogan Energy</b>	Market offer	2.88		
<b>Powerclub</b>	Powerbank Home Solar	2.05		
<b>Alinta Energy</b>	Home Deal	0		
<b>Amber Electric</b>	Amber Plan	0		

\* Discover Energy has three FIT rates: 16 cents for the first 3.3 kWh exported each day, 10 cents for the next 3.3 kWh and 4 cents for any export beyond that.

Chart 25 below compares annual retail bills for solar customers in Brisbane with 3 kW and 1.5 kW installed.<sup>46</sup> It shows that ReAmped Energy, Powerclub, GloBird, Locality Planning Energy, Momentum Energy, Bright Spark Energy and Enova Energy offers produce annual bills above the average for both 3 kW and 1.5 kW systems. Brisbane solar customers with 3 kW systems (and this consumption level) would be approximately \$555 per annum better off on Mojo Power's offer compared to ReAmped Energy's offer. Customers with a 1.5 kW system installed may save \$440 per annum if they switched from GloBird to Mojo Power's offer.

The average annual bill is approximately \$1,315 for households with 3 kW systems and \$1,550 for households with 1.5 kW systems installed. This means that the average annual bill is \$625 less for solar households with 3 kW systems installed compared to non-solar households.<sup>47</sup> Compared to last year, the average market offer for solar customers (3 kW systems) has increased by approximately \$30 or 2%.

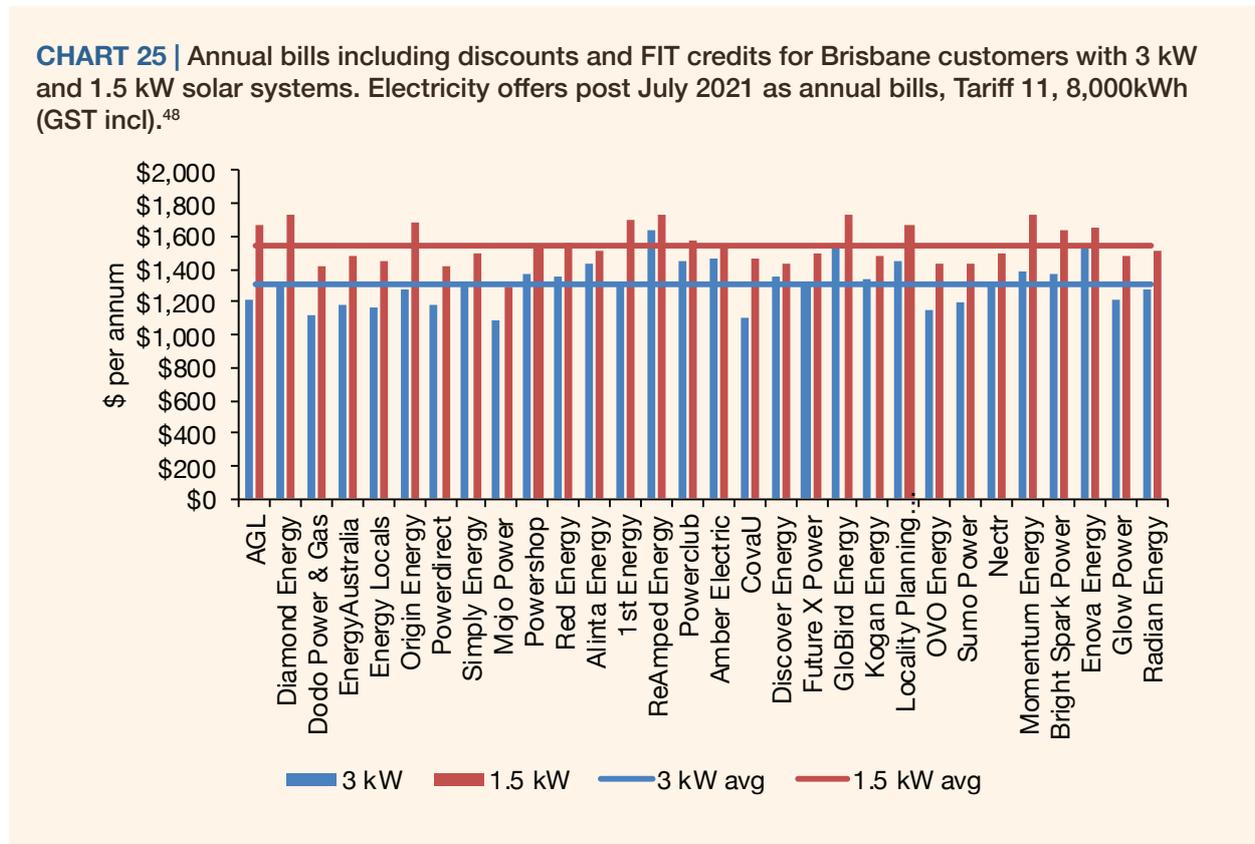


Figure 4 below shows estimated annual bills for solar market offers post discounts ranked from the lowest annual bill to the highest.<sup>49</sup>

**FIGURE 4 | Lowest to highest annual bills (incl GST) for solar market offers post July 2021, including discounts, pay on time discounts and Feed-in-tariff – Metropolitan households with 3 kW solar systems, consuming 8,000kWh per annum (including generated and imported electricity), Tariff 11**

46 We note that these systems are small compared to the size of the typical systems that are currently being installed. However, as a key objective of the Tariff-Tracker is to compare developments over time, we continue to base the analysis on 3 kW and 1.5 kW systems.

47 For non-solar households, the average market offer bill (including pay on time discounts) is \$1,940 See section 2.1.

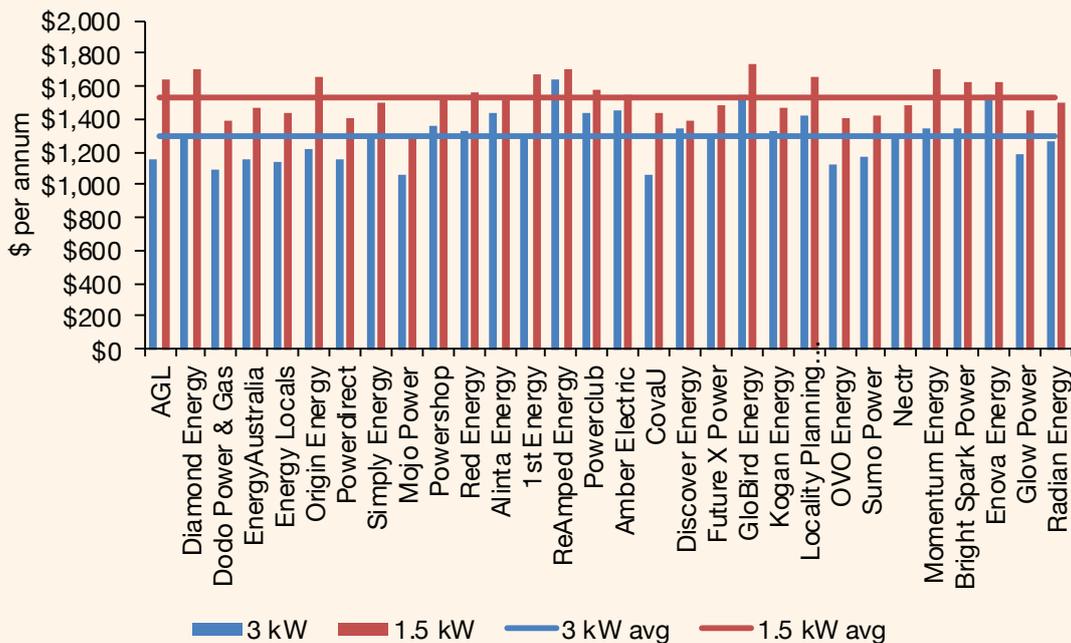
48 Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.

49 These bill estimates are based on rates published on the retailers' websites in mid-July 2021 and it must be noted that retailers may change their rates at any time. Additional discounts for customers choosing to pay by direct debit are not included in these bill calculations.

	Mojo Power	\$1,085		Origin Energy	\$1,277		Powershop	\$1,369
	CovaU	\$1,108		Radian Energy	\$1,283		Bright Spark Power	\$1,372
	Dodo Power & Gas	\$1,126		Simply Energy	\$1,301		Momentum Energy	\$1,380
	OVO Energy	\$1,149		Future X Power	\$1,314		Alinta Energy	\$1,431
	Energy Locals	\$1,168		Nectr	\$1,315		Powerclub	\$1,444
	Powerdirect	\$1,183		1st Energy	\$1,321		Locality Planning Energy	\$1,451
	EnergyAustralia	\$1,188		Diamond Energy	\$1,325		Amber Electric	\$1,460
	Sumo Power	\$1,199		Kogan Energy	\$1,335		Enova Energy	\$1,551
	AGL	\$1,210		Red Energy	\$1,351		GloBird Energy	\$1,566
	Glow Power	\$1,220		Discover Energy	\$1,354		ReAmped Energy	\$1,642

Homes outside Brisbane’s metropolitan area will typically have less overshadowing and therefore a higher generation capacity and export rate. Chart 26 compares annual retail bills for solar customers in non-metropolitan Queensland with 3 kW and 1.5 kW installed. It shows that the annual bills for solar customers are somewhat lower in non-metropolitan areas but the same retailers produce higher than average bills and the price-spread is similar to that in metropolitan areas (see chart 25 above).

**CHART 26 |** Annual bills including discounts and FIT credits for regional and rural customers with 3 kW and 1.5 kW solar systems. Electricity offers post July 2021 as annual bills, Tariff 11, 8,000kWh (GST incl).<sup>50</sup>



<sup>50</sup> Calculations include discounts off usage or bill as well as pay on time discounts off usage or bill.