

# SEQ retail electricity market in 2022–23

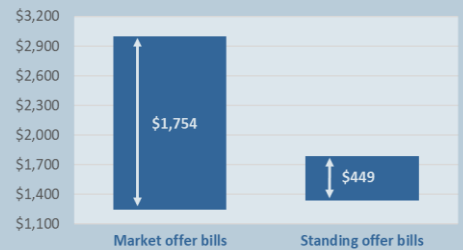
## QCA market monitoring results for residential customers

### Customers can choose from a range of plans

Prices increased in 2022–23 and there were fewer retailers in the market, but customers could still choose from a variety of plans of different retailers. Prices varied substantially between retailers and often even between different plans of the same retailer (see graph on the right).

Shopping around is important for customers in south-east Queensland (SEQ) to benefit from competition and save money. We advise customers to regularly check for a better plan on [Energy Made Easy](#)—a free Australian Government energy price comparison service.

Difference between lowest and highest bills\* (residential flat rate, June quarter 2023)



\* Annual bills for a typical SEQ customer based on the plans published on Energy Made Easy.

### Prices increased



Most retailers increased the prices of their market offers—in some cases substantially—in response to the increase in wholesale energy costs in late 2021–22 and early 2022–23. For the typical residential customer in SEQ on the tariffs and tariff combinations we cover, the average lowest market offer bill increased by between 30.0% and 32.5% (in nominal terms) from the June quarter of 2022 to the June quarter of 2023.

Since 2019, the Australian Energy Regulator sets a default market offer (DMO) before the start of each financial year, which acts as a cap on standing offers. For the tariffs and tariff combinations covered by the DMO, retailers could therefore not increase standing offer prices to the same extent as market offer prices when wholesale energy costs increased.

### Fewer retailers offered plans

Seven fewer retailers had plans on Energy Made Easy for residential customers in 2022–23 than in 2021–22.



### Discounts and incentives decreased bills but did not always mean cheaper plans

We found that in the June quarter of 2023:



- discounts were less common than a year earlier
- the shift from conditional to guaranteed discounts was still evident
- financial incentives (e.g. sign-up credits and bill/account credits) were more common than non-financial incentives, as they were the year before.

A plan with a discount or incentive will not necessarily lead to a lower bill for every customer. Bills depend on various aspects, including the supply and usage charges of a plan and the consumption of a customer.



Conditions and eligibility criteria may be attached to a plan. Some discounts and incentives are conditional on customers meeting certain criteria (e.g. being a new customer, signing up online, paying by direct debit or receiving bills by email).

## Fees could increase the bill

### Market offers

Most retailers attached retail fees to at least some of their market offers, such as:

- payments by credit or debit card, BPay, cheque or at Australia Post
- paper bills
- late payments
- dishonoured cheque or direct debit payments
- account establishment.



### Standing offers

By law, retailers are only allowed to attach 3 types of retail fees to standing offers in SEQ:

- historical billing data fee for data that is more than 2 years old (if requested by a customer)
- their own administration fee for a dishonoured payment
- a financial institution's fee for a dishonoured payment.



## The market remained competitive, despite headwinds

Some of the market indicators we assessed were impacted by the increase in wholesale energy costs in late 2021–22 and early 2022–23. Nonetheless, the outcomes we observed in the SEQ retail electricity market in 2022–23 were broadly consistent with a competitive market. We found that:

- retailers continued to compete on price, mainly through financial incentives and/or discounts
- some new and/or innovative plans were offered, which suggests that retailers also continued to compete by differentiating their products and tailoring them to customers' preferences and needs
- switching between retailers spiked in the June quarter of 2022 as the impact of higher wholesale energy costs started to flow through to customers; in 2022–23, switching continued at a lower level than in the June quarter of 2022
- market concentration increased, as several smaller retailers exited the market and customers switched from smaller to larger retailers, but competition between the retailers that were still active in the market appeared to continue.

### ... but some customers might not benefit from competition

Some customers—including vulnerable, inactive and disengaged customers—may find it difficult to navigate the market and compare plans. Therefore, it is likely that they are not on the plan that best suits their circumstances.

However, help is available for customers. The Queensland Government's [website](#) provides information to customers on how to find and compare electricity plans, what energy concessions are available and what to do if customers are having trouble paying their electricity bill.



## Advice for customers



If you have not searched for a better deal lately, you could be paying more than you need to. The Australian Government's [Energy Made Easy](#) website is a free, simple way to find a better plan. All you need is your latest bill.

We encourage you to regularly check Energy Made Easy to see whether you can find a better deal among all the available plans. There are various retailers and plans to choose from. Active customers are likely to pay less than inactive or disengaged customers.

If you require help with using the Energy Made Easy website to search for plans, please call the AER Infoline on 1300 585 165.

## More information

Our SEQ retail electricity market monitoring report for 2022–23 is available on our [market monitoring](#) web page.

