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## NSW Retail Electricity Tariff Reform

Thank you for the opportunity to make a submission on reforms to NSW retail electricity tariffs.

National Seniors Australia (NSA) is the leading consumer advocacy organisation for older Australians. Through our research and advocacy activities, NSA works to improve the wellbeing of all older Australians, including pensioners, part-pensioners, self-funded retirees, veterans, and carers, including those in New South Wales.

NSA wholeheartedly agrees with the statement that “demand tariffs are complex for customers to engage with, as they represent not a usage charge, but a capacity charge for a customer. This makes it difficult for a customer to assess if a demand tariff is right for them and effectively respond to price signals.” This is why we have been advocating that demand tariffs have no place in the retail market as they will only lead to increased bills.

We are also supportive of stronger consumer protections and are encouraged by the NSW Government implementing the proposed measures: a prohibition on moving customers to a demand tariff without consent, and a requirement for all electricity retailers to offer a flat rate tariff.

Our submission below includes some general comments and then specific responses to questions posed in the consultation paper.

Yours Sincerely



Chris Grice  
Chief Executive Officer

NSA is supportive of enhanced consumer protections for smart meters but does not agree that now is the time to be rolling out smart meters. We do not agree with the statements made in the consultation paper that customers simply need 'clear information', 'choice' and 'protection from bill shock'. Consumers are not well-placed to respond to the types of 'cost-reflective' pricing enabled by smart meters.

## Smart meters

NSA is not opposed to the use of smart meters. However, we are concerned with the way in which smart meters are being rolled out, particularly the lack of consumer protections for households moving to a smart meter. The significant investment in metering infrastructure comes at a time that households are experiencing ongoing cost-of-living pressures and this is resulting in households being shifted to complex cost-reflective tariffs (including both Time-of-Use and demand tariffs). Many do not adequately understand and/or cannot effectively manage cost-reflective tariffs. For many households, cost-reflective tariffs are an alien concept that enable dramatic bill variations for those unprepared or unable to manage these new tariffs.

The consultation paper says that cost-reflective tariffs are “designed to encourage a user pays principle within the energy system to encourage consumers to shift their energy usage patterns...”.

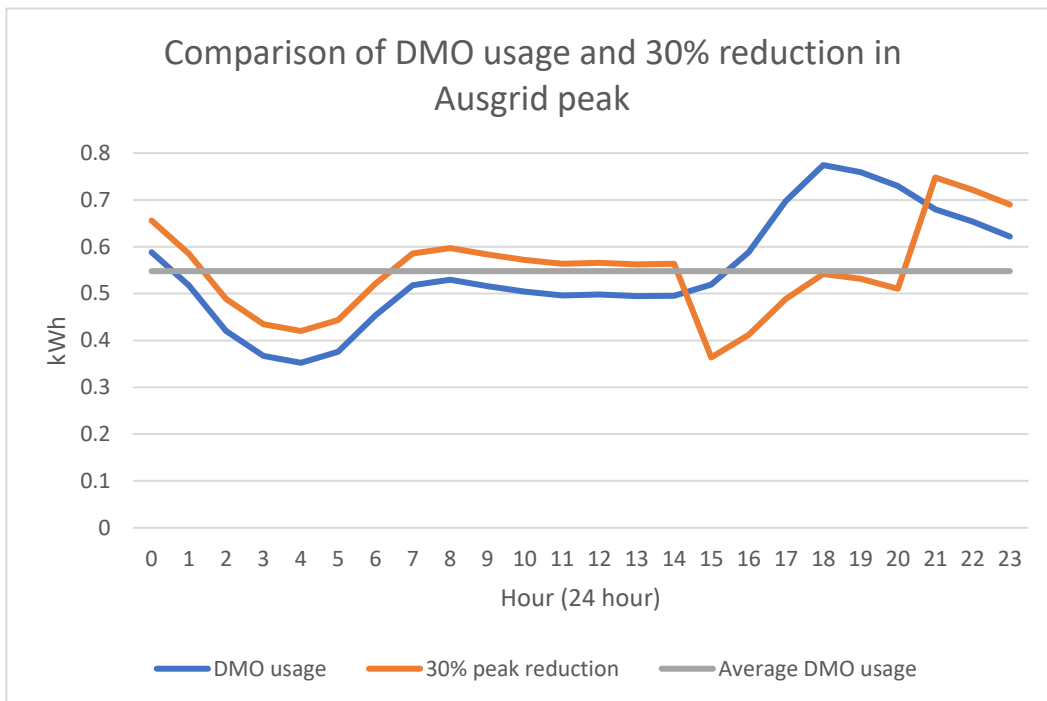
Energy Consumers Australia (ECA) recently found that while some households are able to move the time they use some low-usage appliances, such as dishwashers and washing machines, they are less able to shift high-usage appliances, such as heating and cooling, which have far greater impact on energy use and energy bills<sup>1</sup>.

Even if consumers were able to shift significant amounts of their usage, the savings are not proportionate. IPART found that for people within the Ausgrid area and on a Time-of-Use charge shifting 10% of their usage from peak to off-peak would save 2% of their bill. Shifting 30% would save 5% of their bill.<sup>2</sup> Based on DMO estimates of ToU usage, this would correspond to moving 1.22 kWh out of the 3pm-9pm window. If spread evenly, this would involve households using an amount of electricity during 3pm-9pm lower than the average hourly amount under the DMO, which seems impractical for households without a battery.

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<sup>1</sup> [Time of use tariffs yet to work for many consumers, new report shows | ECA](#)

<sup>2</sup> [Annual Report - Monitoring the NSW retail electricity market 2024-25 - November 2025 | IPART](#)



**Fig 1. Calculation based on DMO Ausgrid distribution region Flexible Tariff (Time of Use tariff) daily usage profile – Daily Residential Usage without Controlled Load (3,900 kWh/yr.)<sup>3</sup>**

If the purpose of cost-reflective charges is to encourage shifting of demand, shouldn't the price structure be sufficient to reward the desired behaviour? Would 5% of the DMO Ausgrid price, \$98 per year, be sufficient to incentivize people to use less electricity during the evening than they do during the day?

Even if people could respond to the price signal, they lack the timely information they would need. The consultation paper says that "smart meters can provide consumers with a range of benefits, including more accurate and real time information about their energy usage," while it is true that smart meters can have this capability, the electricity industry has lobbied extensively to not be required to give consumers near-real-time access to their consumption data, despite this being the case in Victoria.<sup>4</sup>

Under the AEMC rule change ERC0399 Real-time data for consumers, only smart meters installed from 30 November 2028 will be required to have real-time wireless data communication.

<sup>3</sup> [Final decision | Australian Energy Regulator \(AER\)](#)

<sup>4</sup> [Submission to AEMC Proposed rule change: Real-time data for consumers | NSA](#)

By this point, Ausgrid plans to have rolled out around 850,000 of the 1,000,000 smart meters covered by its Legacy Meter Replacement Plan.<sup>5</sup> Giving people their usage the day-after does not help them understand how much power they are using at the time they are using it, and therefore makes it harder to how much their behaviour impacts their bill.

## Demand tariffs

The consultation paper states that cost-reflective tariffs encourage more efficient use of the electricity network. Yet it also acknowledges that because demand tariffs bill for “capacity” rather than usage they are difficult for consumers to understand. This undermines the effectiveness of the price signal.

We agree that demand charges are not well understood by consumers and do little to change behaviour. The design of demand charges is a blunt instrument and does not incentivize a reduction in peak usage. Charging households a demand charge across an entire billing period based on a single instance of high use is illogical and does not ‘educate’ energy users. Further, there is no benefit from shifting usage during the rest of the period if the demand charge applies uniformly.

Several jurisdictions have already moved away from demand tariffs, following recognition that they are too complicated and don’t achieve the stated goal of shifting consumption away from peak demand times. Within the National Energy Market, only households in NSW and the ACT have default demand network tariffs. This is important because smart meter rollouts are already progressing in NSW without adequate consumer protections.

While Endeavour and Essential have ToU as the default tariff for people switched to a smart meter, Ausgrid continues to have a demand tariff as the default network tariff through to 2029.<sup>6</sup> Ausgrid covers significant populations in Sydney, the NSW Central Coast and the Hunter Valley<sup>7</sup> and is 49.6% owned by the NSW Government.<sup>8</sup>

There is a risk that without regulatory protections, retailers will shift households to inappropriate tariffs. While there is no requirement for retailers to put customers on the same tariff as the network tariff, but there is a significant commercial incentive to do so to minimize the risk from costs and revenue being calculated differently: “portfolio risk”, as the consultation paper terms it. This is

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<sup>5</sup> [Ausgrid - Legacy Meter Replacement Plan | Australian Energy Regulator \(AER\)](#)

<sup>6</sup> [Ausgrid - Determination 2024–29 | Australian Energy Regulator \(AER\)](#)

<sup>7</sup> [What we do | Ausgrid](#)

<sup>8</sup> [Who we are | Ausgrid](#)

supported by analysis by IPART, that suggests that changes in retail tariff structures follow network tariffs changes.<sup>9</sup>

Cost-reflective network tariffs are being reflected in the retail market but are far too complex for most households to understand and for the Energy Made Easy website to accurately compare. For example, the Red Energy Living Energy Saver (SunSoak Demand) plan<sup>10</sup>, available in the ACT, includes:

### Summary of plan with Time-of-Use and demand charges

- A daily supply charge of \$1.1629
- A Time of Use usage charge of \$0.2675/kWh during “off-peak” (3pm-10:59am) and \$0.2396/kWh during “shoulder 1” (11:00am – 2:59pm).
- A demand charge covering most of the day, which varies during the day and during the year.  
Note that ‘summer’ runs for nine months:

Period	Peak (5pm-9pm)	Off-peak (9pm-9am)
Summer (Sept-May)	\$0.1333 per/kW/day	\$0.0304 per/kW/day
Winter (Jun-Aug)	\$0.2148 per/kW/day	\$0.0304 per/kW/day

Note this is a summary of the information presented to consumers on EnergyMadeEasy, as shown below. This is not to criticise how the information is presented to consumers, but to question how consumers are meant to understand and react to such complicated electricity plans.

<sup>9</sup> See Figure 5.1, [Annual Report - Monitoring the NSW retail electricity market 2024-25 - November 2025 | IPART](#)

<sup>10</sup> [Red Energy Living Energy Saver \(SunSoak Demand\) | Energy Made Easy](#)

## Prices

### Supply charge

The daily cost for supplying electricity to your home. These charges are the same amount every day. These are separate from charges for how much electricity you use.

**116.29c**  
per day

### Time of use charges

1 Jul - 30 Jun

#### ALL WEEK

● **Shoulder 1 time (11:00am to 2:59pm)**  
23.96c per kWh

● **Off-peak time (3:00pm to 10:59am)**  
26.75c per kWh

Kilowatt hour (kWh) is a unit of measurement for electricity.

	Mon	Tues	Wed	Thur	Fri	Sat	Sun
12pm	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c
1pm	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c
2pm	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c
3pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
4pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
5pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
6pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
7pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
8pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
9pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
10pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
11pm	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
12am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
1am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
2am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
3am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
4am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
5am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
6am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
7am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
8am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
9am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
10am	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c	26.75c
11am	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c	23.96c

### Demand charges

Name	Description	Demand charge rate <sup>?</sup>
Summer Peak (01-Sep to 31-May)	Demand calculation is based on the maximum measured interval consumption occurring between the relevant dates from 5pm to 9pm Mon to Sun (incl public holidays). All times are AEST/AEDT. Applies per day on the maximum KW demand for all usage.	\$0.1333 per/kW/day
Summer Off Peak (01-Sep to 31-May)	Demand calculation is based on the maximum measured interval consumption occurring between the relevant dates from 9pm to 9am Mon to Sun (incl public holidays). All times are AEST/AEDT. Applies per day on the maximum KW demand for all usage.	\$0.0304 per/kW/day
Winter Peak (01-Jun to 31-Aug)	Demand calculation is based on the maximum measured interval consumption occurring between the relevant dates from 5pm to 9pm Mon to Sun (incl public holidays). All times are AEST/AEDT. Applies per day on the maximum KW demand for all usage.	\$0.2148 per/kW/day
Winter Off Peak (01-Jun to 31-Aug)	Demand calculation is based on the maximum measured interval consumption occurring between the relevant dates from 9pm to 9am Mon to Sun (incl public holidays). All times are AEST/AEDT. Applies per day on the maximum KW demand for all usage.	\$0.0304 per/kW/day

Fig 2. Selected information from ACT Red Energy Living Energy Saver (SunSoak Demand) plan<sup>11</sup>

<sup>11</sup> [Living Energy Saver \(SunSoak Demand\) \(RED758416MRE7\) | EnergyMadeEasy](#)

Though this plan does provide a description of how the demand charge is calculated, unlike some other plans available in NSW which don't detail the time period during the day for the charge or if it applies across a month or the season.

### Demand charges

Name	Description	Demand charge rate ⓘ
Demand (c/kW/day)	Summer Nov to Mar, Mon-Fri	\$0.0491 per/kW/day
Demand (c/kW/day)	Winter Jun to Aug, Mon-Fri	\$0.0491 per/kW/day
Demand (c/kW/day)	Autumn Apr to May, Mon-Fri	\$0.0491 per/kW/day
Demand (c/kW/day)	Spring Sep to Oct, Mon-Fri	\$0.0491 per/kW/day

**Fig 3. Demand charges for NSW Alinta Energy HomeDeal Extra Demand Time of Use plan<sup>12</sup>**

Energy Made Easy shows the Red Energy plan as costing \$2,130 for 17.6 kWh/day of usage, but this doesn't include the demand charge. The website does show the Red Energy Living Energy Saver as more expensive, \$2,210, for the same amount of usage despite this flat rate plan being cheaper if there is even a small demand charge (\$1.2980 per day, with \$0.2696 per kWh usage for first 60kWh per day).<sup>13</sup>

It is not consumer-friendly for a government-funded website comparing energy plans to present a price estimate which excludes the demand charge – this could mislead consumers into thinking that plans that are likely more expensive are cheaper than alternatives. While we acknowledge there have been some improvements in labelling and warnings, if the government comparison website is unable to make a calculation to determine the cost of a demand tariff plan, how are consumers meant to compare retail offers with any confidence? They simply can't.

Other retailers don't appear to have followed Red Energy in this billing approach. It's worth noting that Red Energy is owned by Snowy Hydro, which is wholly owned by the Commonwealth Government.<sup>14</sup> Ironically, this means that while the electricity regulators put in place by the Commonwealth are justifying demand network tariffs by saying there is no obligation on retailers to pass on network tariffs to consumers, a Commonwealth-owned company is doing exactly that.

<sup>12</sup> [HomeDeal Extra - Demand Time of Use \(ALI1008541MRE2\) | EnergyMadeEasy](#)

<sup>13</sup> [Red Energy Living Energy Saver | EnergyMadeEasy](#)

<sup>14</sup> [Our Company | Snowy Hydro](#)

While plans with demand tariffs in NSW don't appear to be as complicated as the above plan, there are already complicated Time-of-Use plans which involve changes to tariffs throughout the day, the week and by the season. Additionally, there are proposals for further changes to demand tariffs.

If the intent was truly to shift demand away from peak periods, then it is vital that people understand price signals to be able to respond to them. Instead, it appears that the industry is happy for people to continue to use power according to current trends as long as they can charge higher prices to recoup costs.

For example, Ausgrid has said that if the “network system demand peak” occurs after 9pm on any day prior to 1 March 2027 then the peak demand tariff window will move from 3-9pm to 4-10pm on 1 July 2027.<sup>15</sup> Likewise, EVO energy in the ACT is changing its demand network tariff designs; under the “new demand tariff”. The evening peak period would be extended from 5pm-8pm to 9pm, there would be a seasonal demand charge, and an “off-peak demand charge between 9pm-9am”.<sup>16</sup> This suggests that even if consumers shift their demand, the tariff window will move to continue the charge rather than reward this shifting of behaviour. Households will face ongoing difficulty managing their consumption and bill, if the rules keep changing as these examples indicate they will.

Without the consumer protections put forward in the consultation paper, consumer could be put on demand tariffs without their consent or understanding leading to bill shock and significant anger towards energy companies and government as the regulator.

IPART's analysis showing that demand tariffs result in the largest bills, alone should be cause for concern for the NSW Government.<sup>17</sup>

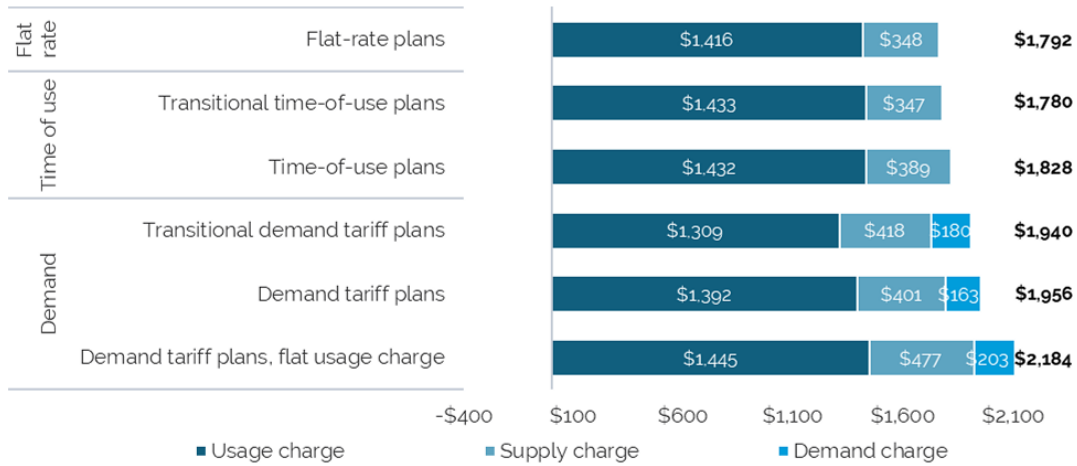
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<sup>15</sup> [Ausgrid - Determination 2024-29 | Australian Energy Regulator \(AER\)](#)

<sup>16</sup> [Final decision | Australian Energy Regulator \(AER\)](#)

<sup>17</sup> [Monitoring the NSW Retail Electricity Market - 2024-25 | IPART](#)

Figure 5.10 Average size of estimated bill components by retail tariff type, Ausgrid residential customers with 4,000 to 4,500 kWh annual imports – non-solar customers



Notes: Figure calculates the average size of individual bill components under different retail tariff types, based on offers downloaded from Energy made Easy in August 2025. This figure uses a sample of Ausgrid residential customers who used between 4,000 and 4,500 kWh in 2024–25, and whose network tariff classification was 'Demand'. Excludes GST, discounts and membership fees.  
 Source: Energy Made Easy offers as of 25 August 2025; Sample consumption data from the AEMC.

**Fig 4. From IPART Monitoring the NSW Retail Market – 2024-25 Final Report<sup>18</sup>**

<sup>18</sup> [Monitoring the NSW Retail Electricity Market - 2024-25 | IPART](#)

## Specific consultation questions

### **Question 1: Should the prohibition on assignment of customers to demand tariffs without explicit informed consent be limited to a certain time period, or established as an ongoing prohibition?**

This should be an ongoing prohibition. NSA sees no reason why this important consumer protection should expire. If in the future that government was to consider lifting the ban, the onus of proof should be on industry to categorically show why this should occur. At present there is no logical reason why households should be defaulted onto demand tariffs without explicit consent under a market that is supposed to be about 'choice' and 'competition'. As stated earlier, NSA does not support demand tariffs being used in retail offers as they are not effective or fair tools to support behaviour change. They are blunt instruments for revenue generation.

### **Question 2: Are other consumer safeguards around tariff re-assignment required, such as:**

- **Prohibiting the seeking of customer explicit informed consent for any tariff variation for a specified timeframe following the installation of a smart meter?**
- **Any other consumer safeguards?**

There should be a prohibition on seeking informed consent for at least one year following the installation of the smart meter, to allow the collection of relevant usage data. Additionally, before consumers can be requested to change their tariff, the retailer should use this data to provide a detailed cost-comparison between their current tariff, the proposed tariff, and a flat tariff. Noting that the National Energy Retail Law (Adoption) Regulation 2020 is due to be remade by 1 September 2026, it is not sufficient that any protection be prospective. It is the position of the AER that the 2-year consumer protection period for explicit informed consent only starts if the meter was installed from 1 December 2025, despite the accelerated rollout of smart meters starting on 1 June. Given Queensland took similar regulatory action prior to the commencement of the accelerated smart meter rollout, the NSW consumer protections should apply broadly.

### **Question 3: Is there anything else the NSW Government should consider in implementing this prohibition on demand tariff assignment?**

The NSW Government should consider expanding upon the consumer protections put forward by the AEMC. The AEMC itself had proposed the consumer protection apply for 3-years (which is too low) only to cut it to two years in the final determination. We are concerned by the weight given by

the AEMC to the views of industry and call on the NSW Government to put the interests of consumers and households first.

#### **Question 4: Should New South Wales implement the AEMC's requirement for designated retailers to offer flat rate tariff structures to customers with smart meters? Why?**

Yes. It is not enough that consumers have the option of a ToU, as set out in the Strategy, but also a flat tariff option. Consumer energy pricing is becoming increasingly complicated, while many networks have moved away from demand tariffs, the ACCC is already warning about particularly complicated Time-of-Use plans.<sup>19</sup> NSW should follow Queensland in adopting this consumer protection.

#### **Question 5: If New South Wales were to implement the AEMC's national requirement, should it be amended in any respect, such as by:**

- **Requiring all retailers to make flat rate tariffs available for any customer with a smart meter to which an energy contract is offered?**
- **Providing retailers with discretion in requiring the offering of a flat rate tariff structure or a time-of-use tariff structure to all customers with smart meters?**
- **Prescribing an end date to the requirement?**
- **Any other amendments?**

Yes, all retailers should be required to make available a flat-rate tariff and they should not have the discretion to make it a ToU offer, given these are widely available. Customers should have the right at any point to shift to a flat rate tariff if they are unhappy with a market offer. There should be no end date for this requirement.

If the NSW Government was serious about consumer protection for energy consumers and interested in helping consumers to understand how they might benefit from cost reflective tariffs, it should require all market offers using a cost-reflective tariff be hybrid tariffs.

A hybrid tariff would include the price of electricity under the chosen market offer and the price of electricity under a DMO flat rate tariff. Whichever of these was cheaper, would be the price a consumer pays. This innovation would protect consumers from bill shock, whether they are vulnerable or simply 'novice' consumers trying to adapt to cost-reflective tariff structures.

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<sup>19</sup> See Figure 3.6: [Inquiry into the National Electricity Market - December 2025 Report | ACCC](#)

It could be used by retailers to educate those consumers willing to learn, how they could have received a cheaper bill by changing their behaviour. This could be done by including information on the bill showing why the bill was higher under the cost-reflective tariff and what they could have done to get a cheaper bill under this tariff.

Currently, consumers are left to their own devices to navigate a retail market that is beset by a proliferation of increasingly complex energy offers. The proliferation of choice without adequate means to compare (except theoretically using the flawed Energy Made Easy website, which is riddled with errors!<sup>20</sup>) means that consumers are more likely than not to act conservatively, disengage or make bad choices.

Energy is an essential service; price increases reflect poorly on government. Simplifying while simultaneously strengthening regulatory measures is critical to restoring public trust.

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<sup>20</sup> [AEMC submission Directions paper, National Electricity Amendment \(Accelerating smart meter | NSA](#)