

30 November 2025

Mr Adam Day  
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Australian Energy Regulator  
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## **Re: Submission on 2026-27 Default Market Offer – DMO 8**

The Queensland Electricity Users Network (QEUN) appreciates the opportunity to provide a submission on the 2026-27 Default Market Offer.

QEUN advocates for small business and residential consumers, with a particular emphasis on regional consumers. We advocate for affordable and reliable electricity from a *resilient* National Electricity Market where the pace of the transition to a higher percentage of renewable energy in the generation mix, is not at the expense of the economy, jobs or reasonable living standards.

QEUN is an energy consumer advocate active at both a state and national level.

### **Summary**

Consumers, and the energy industry as a whole, have been blindsided by the Federal government's announcement of the Solar Sharer Offer less than a month ago ie on 4 November 2025.

Should the Federal government's Solar Sharer Offer (SSO) be incorporated in the 2026-27 Default Market Offer (DMO 8) it could have massive adverse impacts on both DMO and non-DMO customers, plus electricity retailers and their product offerings.

The SSO will render the DMO 8 fundamentally different to the previous seven DMOs.

Previous DMOs were a flat tariff.

This fits in with the reason why a DMO was introduced in the first place – to provide a safety net for electricity customers who were not engaged with the retail electricity market, largely because they could not understand the complexities of retailer product offerings especially Time-of Use (TOU) tariffs.

It is unclear how the Solar Sharer Offer – which requires retailers to offer *free* electricity to households for *at least* 3 hours in the middle of the day – will be included in DMO 8 as the introduction of a time element changes the DMO from a flat tariff to a TOU tariff. Something the majority of 'engaged' electricity customers are struggling to come to terms with let alone traditional DMO customers.

Effective energy policy requires extensive engagement, particularly when it impacts on the largest component of the power bill cost stack – the total cost of energy (TEC). The SSO will impact the TEC which accounts for about 40% of a power bill and is the fastest growing component of a power bill.

There is also the very real concern that the Australian Energy Regulator who is in charge of the setting of DMO 8 is reliant on a single private consultant to determine the TEC as the AER lacks the in-house expertise.

**The following is the submission from the Queensland Electricity Users Network to the Department of Climate Change, Energy and the Environment and Water (DCCEEW) on the Solar Sharer Offer submitted on 28 November, 2025.**

**The QEUN's submission on the Solar Sharer Offer forms part of our submission to the Australian Energy Regulator on the 2026-27 Default Market Offer – DMO 8.**

## **Summary**

Energy policy that puts the best interests of energy consumers front and centre is developed through extensive consultation and includes engagement with the largest user of grid supplied electricity in terms of consumption (megawatts) - small business - and the largest group in terms of number of energy consumers – middle Australian households who do not receive energy concessions.

It is fair to say energy consumers and all sectors of the energy industry were blindsided by the announcement of the Solar Sharer Offer (SSO).

The consultation in terms of breadth, depth, timing (almost at year end) and length of time to provide a submission (18 days) was woefully inadequate. The extension of one week was welcome but inadequate.

As such energy consumers and the energy industry were not offered the opportunity to articulate how the claimed benefits of the SSO are significantly outweighed by the negative consequences which include:

- The potential to increase energy poverty in middle Australian households and small businesses
- The introduction of sovereign risk to the retail electricity market and reduced retail competition
- the lack of in-house expertise for the Australian Energy Regulator to police electricity retailers
- a missed opportunity to grow the Australian economy and jobs

The purpose of the SSO is not really about sharing the benefit of rooftop solar amongst a larger group of energy consumers, including those energy consumers without rooftop solar.

Its purpose is to reduce the rising occurrence of dispatch intervals with negative prices which are hampering the final investment decisions of large-scale renewable energy projects necessary for the Federal government to meet its 2030 renewable energy and emission targets.

The SSO is not the answer to the problem.

## The SSO will increase energy poverty in middle Australian households & small businesses

There is no such thing as a free lunch – someone has to pay.

Similarly, there is no such thing as free solar for three hours – someone has to pay.

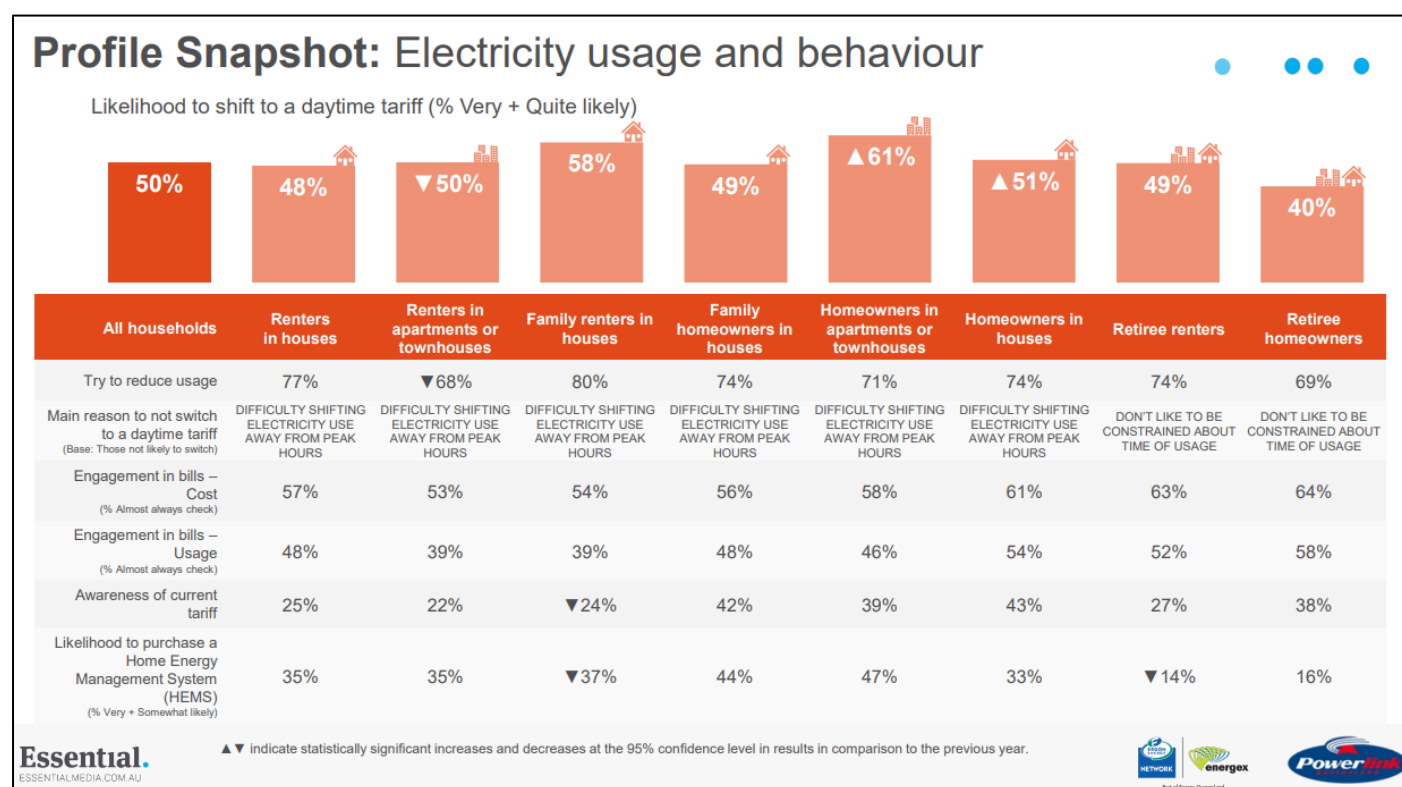
The two households most likely to shift their consumption and benefit from the “free lunch”/SSO are households with residents:

- who are at home during the middle of the day and therefore able to manually turn on or off their appliances or charge their electric vehicles or
- who have invested in a Home Energy Management System (HEMS)

But do the behaviour or investment decisions of these two types of households mean they are willing and able to take advantage of the Time of Use (TOU) Solar Sharer Offer?

The 2025 Queensland Household Energy Survey (QHEs) suggests the uptake/volume shifted to the middle of the day may not be as clear cut and high as one may expect (Figure 1).

**Figure 1: Likelihood to purchase a Home Energy Management System (HEMS)**



Source: 2025 Queensland Household Energy Survey, Powerlink/Ergon Network/Energex

For example, *retiree renter* households in the 2025 QHEs made up the smallest profile (5% of participants in the survey) and are potentially the most vulnerable. Around two fifths (37%) have only one resident, the highest of any household profile. Over a third (36%) are on a disability pension, the highest of any group and much higher than retiree homeowners (4%). They also have the lowest household income of all profiles with 60% earning an annual household income of less than \$51K.

The majority of retiree renters (82%) are in the house between 8am to 5pm every weekday, a dynamic that lends itself well to using a daytime tariff. However, only half (49%) of retiree renters would be interested in shifting to a daytime tariff. The main barrier for those unlikely to switch is that they don't want to be constrained around when they can use electricity (54%). In the 2024 QHES, it was noted that despite most retiree renters being at home during the day, 38% of those unlikely to switch said most of their electricity usage happens during evening peak hours.

It is likely a significant percentage of retiree renters in Southeast Queensland who consume most of their electricity during evening peaks would be on the Default Market Offer. The DMO is a flat rate tariff – the Solar Sharer Offer is a Time Of Use (TOU) tariff.

In the 2025 QHES not a single retiree renter had a HEMS, with the QHES finding there was a low likelihood of retiree renters purchasing a HEMS (14%).

Retiree renter households also have the lowest incidence of electric vehicle (EV) ownership (1%).

The 2025 QHES also indicates there could be challenges with another household type that is likely to be at home during the day and who could choose to switch some of their consumption to the middle of the day – *retiree homeowners*.

In the 2025 QHES, a total of 36% of retiree homeowners have had solar panels since 2017.

A quarter (25%) also receive the Queensland Solar Bonus Scheme (QSBS), which makes many of them unwilling to change their behaviour due to receiving low or no power bills. They are the least likely of all household profiles to switch to a daytime tariff that offers cheaper electricity during the day (40% very/quite likely).

Their main reason for not switching to a daytime tariff (the SSO is a daytime tariff) is not wanting to be constrained around when they use electricity (45%). Those who are likely to switch, would do so because they already use more electricity during the day (45%).

Retiree homeowners in Queensland are less likely to upgrade or replace their solar PV system (13%) than other homeowners. However, wanting to reduce electricity bills is the main driver for those wanting to replace or upgrade their system. Those receiving the QSBS are reluctant to make upgrades to their system which could cause them to lose their generous 44 cent/kWh QSBS feed-in tariff which ends in June 2028. The SSO commences in July 2026 so their switching before July 2028 is unlikely.

Retiree homeowners have high engagement with their bills and usage. Despite high engagement, they are not likely to switch suppliers or investigate tariff options. Only 10% of retiree homeowners have changed their electricity provider in the last year and only 32% have investigated prices from other providers.

Retiree homeowners currently show very low interest in new technologies such as battery storage (15% of those with solar intend to purchase in the next 3 years), electric vehicles (16% would consider buying an electric car) and Household Energy Management Systems (16% very/somewhat likely to purchase). In the 2025 QHES only 0.9% of retiree homeowners had a HEMS.

Overall, only 1% of respondents to the 2025 QHES had a Home Energy Management System.

Retiree homeowners are also the least likely of all profiles to have consciously tried to reduce their electricity consumption (69%).

When the QSBS ends in 2028, retiree homeowner participants will need to have invested in new technologies or change their behaviour in order to keep their bills low.

Analysis by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) shows that a free power period standing offer tariff could benefit customers on the Energex network in South East Queensland. The average bill savings are estimated at between 9% and 27% for a 1 person household and between 10% and 30% for a 2-3 person household (Figure 2 and 3).

**Figure 2: Average bill savings for a one person household on the Solar Sharer Offer**

DNSP	10% shift	20% shift	25-30% shift
SAPN	8%	17%	24%
Energex	9%	18%	27%
Ausgrid	10%	12%	13%
Essential Energy	8%	16%	20%
Endeavour Energy*	9%	15%	22%

\* Note – shifts of consumption for the 20% shift and 25 to 30% shift are from off-peak periods, unlike for other DNSPs where consumption is shifted from on-peak periods.

Source: Review outcomes – 2025 reforms to the Default Market Offer, DCCEEW

**Figure 3: Average bill savings for a one to two person household on the Solar Sharer Offer**

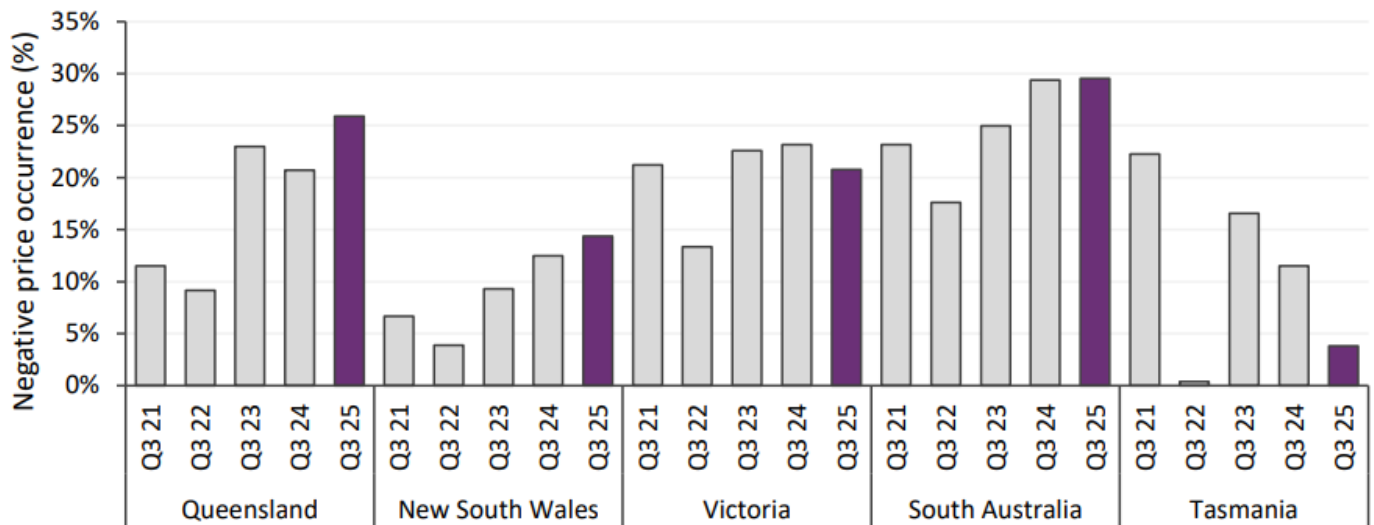
DNSP	10% shift	20% shift	25-30% shift
SAPN	10%	19%	27%
Energex	10%	20%	30%
Ausgrid	15%	17%	19%
Essential Energy	9%	19%	23%
Endeavour Energy*	11%	17%	26%

\* Note – shifts of consumption for the 20% shift and 25 to 30% shift are from off-peak periods, unlike for other DNSPs where consumption is shifted from on-peak periods.

Source: Review outcomes – 2025 reforms to the Default Market Offer, DCCEEW

Whilst the DCCEEW analysis estimates the SSO will result in significant bill savings for 1 person and 2-3 person households in Southeast Queensland, the 2025 QHES indicates that some types of 1 and 2-3 person households could be unwilling or unable to the shift their energy consumption. Therefore, the Federal government's intervention in the legitimate commercial operations of an electricity retailer may not significantly increase consumption in the middle of the day which may result in the continued increase in number of dispatch intervals with negative prices (Figure 4). This would mean the SSO would have failed to meet its purpose.

**Figure 4: Record high negative price occurrence in Queensland and New South Wales**



Source: Quarterly Energy Dynamics Quarter 3 2025, Australian Energy Market Operator

The introduction of the SSO will require electricity retailers to make changes to their demand forecasts for both the middle of the day and for the evening peak period. The changes will affect their hedge book. The Queensland Competition Authority assumes a prudent and efficient electricity retailer will progressively hedge their forecast demand 2 to 3 years in advance of consumption.

The mandated 3 hours of free electricity will result in electricity retailers recouping their costs in the other 21 hours of the DMO and from their other non-DMO retail offers. Electricity retailers have already committed to purchasing rooftop solar exports at a price above \$0 per kWh from their residential and business customers. Electricity retailers will also have to pay for the transport of the 3 hours of free electricity across the poles and wires network to their residential customers.

Increasing other non-DMO retail offers is highly likely to increase the cost of power bills to middle Australian households and small business – both do not receive energy concessions. Small business also cannot access hardship programs if they are struggling to pay their power bills.

There is already a mountain of evidence that large swathes of middle Australian households and small businesses cannot afford their power bills.

Due to the absence of extensive engagement by DCCEEW with informed energy consumer advocates, it is impossible to see how the Solar Sharer Offer will not result in middle Australian households and small business picking up the tab for the free lunch/SSO. This will increase energy poverty/power bills for more households and more small businesses.

## **The SSO introduces sovereign risk which may reduce retail competition & product offerings**

A government that mandates through legislation the price a legitimate commercial business in a unregulated retail market can sell its product or service for is an over-reach of government power.

In this case the over-reach introduces sovereign risk to the retail electricity market in Australia as it potentially impacts the profitability and viability of electricity retailers, particularly second tier retailers offering innovative products.

The question electricity retailers across Australia must be asking themselves is where does this over-reach end? Will the Federal government mandate 4 hours of free electricity in 2027-28? And how many of their residential customers will have to be supplied 3 hours of free electricity if the SSO is extended in 2027-28 to areas outside of the DMO areas of New South Wales, South Australia and South East Queensland?

By mandating 3 hours of free electricity in 2026-27, the Federal government has already impacted the hedge books of Australian electricity retailers who typically hedge their forecast consumption 2 to 3 years in advance. Unhedged positions can be costly and impact on retailers' profitability and viability, particularly second tier retailers who may not be gentailers.

The Federal government appears to have made an assumption that wholesale electricity prices in the middle of the day will remain low and relatively stable due to an abundance of solar generation, especially from rooftop solar.

However, this assumption appears flawed.

On Wednesday 26 November 2025, the wholesale electricity (spot) price in New South Wales fluctuated wildly from a market price cap of \$20,300/MWh at 11.00 am to nearly the market price floor of *negative* \$1,000/MWh at 12.15 pm (Figure 5). This wild fluctuation occurred in the middle of the day - the target time for the Federal government's 3 hours of free electricity to DMO residential customers.

Large fluctuations in the wholesale electricity price may be the result of consumer behaviour (eg increased air-conditioning demand). However, large fluctuations could also be caused by, but not limited to, weather conditions impacting supply (eg cloud cover), network constraints or by directions issued by the Australian Energy Market Operator (AEMO) to maintain power system security.

For example, AEMO recently issued a stream of Minimum System Load (MSL) market notices. The MSLs are a warning that demand for grid-connected generation is so low that power system security violations could emerge, requiring new pre-emptive management actions by AEMO. The MSLs in the future could cause large fluctuations in the wholesale electricity price because batteries held back from charging at efficient times may rush to charge when released from AEMO's non-charging direction.

The mandated SSO has undoubtedly heightened the sovereign risk of electricity retailers operating in Australia, especially second tier retailers. The willingness of the Federal government to suddenly intervene in an unregulated retail market has sent shock waves through the energy industry. The government's intervention in the unregulated market may ultimately reduce retail competition and the willingness of retailers to offer innovative products. The government intervention could end up being a negative outcome for the majority of energy consumers in Australia.



**Figure 5: Wild fluctuations in NSW wholesale (spot) price in the middle of the day-Wednesday 26 Nov 2025**

NSW Trading Prices Table	
NSW	ENERGY
PRICES	
Interval	Price (\$)
10:35	TP \$40.40
10:40	TP \$8.07
10:45	TP \$55.69
10:50	TP \$78.94
10:55	TP \$421.37
11:00	TP \$20,300.00
11:05	TP \$20,300.00
11:10	TP \$20,300.00
11:15	TP \$20,299.95
11:20	TP \$365.26
11:25	TP \$315.82
11:30	TP \$473.90
11:35	TP \$456.35
11:40	TP \$446.90
11:45	TP \$329.71
11:50	TP \$361.94
11:55	TP \$104.51
12:00	TP \$428.47
12:05	TP -\$999.98
12:10	TP \$428.65
12:15	TP -\$999.99
12:20	TP -\$999.94
12:25	TP \$45.01
12:30	TP -\$999.99
12:35	TP -\$52.40
12:40	TP -\$51.04
12:45	TP -\$39.37

Source:

Article 'Unpacking some of the drivers of volatility in NSW today, on Wednesday 26<sup>th</sup> Nov 2025', Watt Clarity, 26 Nov 2025



## The Australian Energy Regulator does not have the in-house expertise to police electricity retailers

Since the inception of the Default Market Offer the Australian Energy Regulator has relied on a single private consultant to estimate the total energy cost (TEC) and wholesale energy cost (WEC) for the DMO.

The Queensland Competition Authority (QCA) also relies on the same private consultant to estimate the TEC and WEC when setting the regulated retail electricity prices for regional Queensland.

Since the deregulation of the South East Queensland retail electricity market there has been bipartisan support to continue the Uniform Tariff Policy (UTP) in Queensland. The aim of the UTP is to ensure customers of the same class pay similar electricity prices, regardless of their geographic location in Queensland. The UTP effectively means the DMO sets the regulated retail electricity prices for 750,000 residential and small business customers in regional Queensland. This is because the QCA will (and has adjusted) its regulated retail electricity prices down to meet the level of the DMO. Therefore, any changes to the DMO brought on by the Solar Sharer Offer will not have to wait for a potential extension to the non-DMO area of regional Queensland, it will impact regional Queensland electricity customers from 1<sup>st</sup> July 2026.

In 2025-26, the private consultant estimated the TEC for DMO 7 customers in South East Queensland (ie customers supplied by the Energex distribution network) at \$176.29/MWh with a WEC of \$150.63/MWh).

In 2025-25, the private consultant estimated the TEC for regulated retail electricity prices for regional Queensland at \$181.76/MWh with a WEC of \$155.47/MWh) (Table 1 and 2).

QCA also commissioned the private consultant to estimate a time varying WEC which means the time profile had to be sliced into period types. The QCA provided the private consultant with the following specifications of the time slices for the period types for three time varying WECs shown in Table 3:

### Time varying WEC 1

*Daylight: 9am – 4pm Evening Peak: 4pm – 9pm Night: 9pm – 9am*

### Time varying WEC 2

**Off-peak (Daylight): 11am – 1pm** Peak (Evening): 5pm – 8pm Shoulder (Night): between the hours midnight to 11am, 1pm to 5pm and 8pm to midnight.

### Time varying WEC 3

**Off-peak (Daylight): 11am – 4pm** Peak (Evening): 4pm – 9pm Shoulder (Night): between the hours midnight to 11am, 9pm to midnight.

**Table 1: Components of the Total Energy Cost (TEC) for the 2025-26 DMO (\$/MWh, nominal)**

	WEC at regional reference node (\$/MWh, nominal)	Other wholesale costs at regional reference node (\$/MWh, nominal)	Network loss factor	Wholesale network losses (\$/MWh, nominal)	Total wholesale costs at the customer terminal (\$/MWh, nominal)	LRET costs at regional reference node (\$/MWh, nominal)	SRES costs at regional reference node (\$/MWh, nominal)	Other environmental costs at regional reference node (\$/MWh, nominal)	Environmental network losses (\$/MWh, nominal)	Total environmental costs at the customer terminal (\$/MWh, nominal)	Total energy costs at the customer terminal (\$/MWh, nominal)
Ausgrid – Residential and small business	\$161.07	\$3.75	1.045	\$7.42	\$172.24	\$6.12	\$5.14	\$3.99	\$0.69	\$15.94	\$188.18
Endeavour – Residential and small business	\$167.47	\$4.02	1.064	\$10.98	\$182.47	\$6.12	\$5.14	\$3.99	\$0.98	\$16.23	\$198.70
Essential – Residential and small business	\$165.17	\$3.74	1.039	\$6.59	\$175.50	\$6.12	\$5.14	\$3.99	\$0.59	\$15.84	\$191.34
Ausgrid – CLP1	\$115.48	\$3.75	1.045	\$5.37	\$124.60	\$6.12	\$5.14	\$3.99	\$0.69	\$15.94	\$140.54
Ausgrid – CLP2	\$113.70	\$3.75	1.045	\$5.29	\$122.74	\$6.12	\$5.14	\$3.99	\$0.69	\$15.94	\$138.68
Endeavour – CLP	\$118.46	\$4.02	1.064	\$7.84	\$130.32	\$6.12	\$5.14	\$3.99	\$0.98	\$16.23	\$146.55
Essential – CLP	\$115.47	\$3.74	1.039	\$4.65	\$123.86	\$6.12	\$5.14	\$3.99	\$0.59	\$15.84	\$139.70
Energex – Residential and small business	\$150.63	\$4.58	1.059	\$9.16	\$164.37	\$6.12	\$5.14	\$0.00	\$0.66	\$11.92	\$176.29
Energex – CLP31	\$102.21	\$4.58	1.059	\$6.30	\$113.09	\$6.12	\$5.14	\$0.00	\$0.66	\$11.92	\$125.01
Energex – CLP33	\$108.67	\$4.58	1.059	\$6.68	\$119.93	\$6.12	\$5.14	\$0.00	\$0.66	\$11.92	\$131.85
SAPN – Residential and small business	\$168.16	\$10.62	1.072	\$12.87	\$191.65	\$6.12	\$5.14	\$4.06	\$1.10	\$16.42	\$208.07
SAPN – CLP	\$101.46	\$10.62	1.072	\$8.07	\$120.15	\$6.12	\$5.14	\$4.06	\$1.10	\$16.42	\$136.57

Note: The values exclude the fixed NEM Fees cost of \$0.27 per week per customer – which averages about \$1-2/MWh depending on the level of consumption.

Source: Wholesale energy & environment cost estimates for 2025-26 DMO 7, ACIL Allen, 26 May 2025

**Table 2: Components of TEC for 2025-26 regulated retail prices for regional Queensland (\$/MWh, nominal)**

	WEC at Qld reference node (\$/MWh)	Renewable energy costs at Qld reference node (\$/MWh)	Other costs Qld reference node (\$/MWh)	Total transmission and distribution loss factor (MLF x DLF)	Network losses (\$/MWh)	TEC at the customer terminal (\$/MWh)	Change from 2024-25 Final Determination (\$/MWh)	Change from 2024-25 Final Determination (%)
Energex – Residential and small business	\$155.47	\$11.26	\$4.58	1.061	\$10.45	\$181.76	-\$12.99	-6.67%
Energex – Controlled load tariff 9000 (31)	\$103.88	\$11.26	\$4.58	1.061	\$7.30	\$127.02	\$4.23	3.44%
Energex – Controlled load tariff 9100 (33)	\$111.89	\$11.26	\$4.58	1.061	\$7.79	\$135.52	\$4.56	3.48%
Energex – unmetered supply	\$155.47	\$11.26	\$4.58	1.061	\$10.45	\$181.76	-\$12.99	-6.67%
Ergon Energy – CAC and ICC	\$101.35	\$11.26	\$3.39	1.013	\$1.51	\$117.51	-\$0.91	-0.77%
Ergon Energy – SAC demand and street lighting	\$115.11	\$11.26	\$3.39	1.076	\$9.86	\$139.62	-\$2.12	-1.50%
Energex – Small business primary load control tariff	\$131.17	\$11.26	\$4.58	1.061	\$8.97	\$155.98	\$12.19	8.48%
Ergon – Large business primary and secondary load control tariffs	\$111.89	\$11.26	\$3.39	1.076	\$9.62	\$136.16	\$6.09	4.68%

Source: Estimated energy costs for use by QCA in its Final determination 2025-26 retail electricity tariffs, ACIL Allen, 6 June 2025

**Table 3: Components of TEC for 2025-26 regulated retail prices for regional Queensland (\$/MWh, nominal)**

	WEC at Qld reference node (\$/MWh)	Renewable energy costs at Qld reference node (\$/MWh)	Other costs Qld reference node (\$/MWh)	Total transmission and distribution loss factor (MLF x DLF)	Network losses (\$/MWh)	TEC at the customer terminal (\$/MWh)	Change from 2024-25 Final Determination (\$/MWh)	Change from 2024-25 Final Determination (%)
<b>Energex - Residential and small business - Time varying tariffs</b>								
Time varying 1- Night	\$153.95	\$11.26	\$4.58	1.061	\$10.36	\$180.15	-\$5.89	-3.17%
Time varying 1 - Day	\$41.69	\$11.26	\$4.58	1.061	\$3.51	\$61.04	-\$23.45	-27.75%
Time varying 1- Evening Peak	\$253.43	\$11.26	\$4.58	1.061	\$16.43	\$285.70	\$1.26	0.44%
Time varying 2- Shoulder (Night)	\$141.43	\$11.26	\$4.58	1.061	\$9.59	\$166.86	NA	NA
Time varying 2 – Off-peak (Daylight)	\$36.01	\$11.26	\$4.58	1.061	\$3.16	\$55.01	NA	NA
Time varying 2- Peak (Evening)	\$235.80	\$11.26	\$4.58	1.061	\$15.35	\$266.99	NA	NA
Time varying 3- Shoulder (Night)	\$142.64	\$11.26	\$4.58	1.061	\$9.67	\$168.15	NA	NA
Time varying 3 – Off-peak (Daylight)	\$39.86	\$11.26	\$4.58	1.061	\$3.40	\$59.10	NA	NA
Time varying 3- Peak (Evening)	\$245.54	\$11.26	\$4.58	1.061	\$15.94	\$277.32	NA	NA

Source: Estimated energy costs for use by QCA in its Final determination 2025-26 retail electricity tariffs, ACIL Allen, 6 June 2025

The 2025-26 DMO 7 for South East Queensland is a flat tariff with a WEC of \$150.63/MWh.

The 2025-26 regulated retail prices for regional Queensland is a flat tariff with a WEC of \$155.47/MWh.

The time varying WEC1 with a 5 hour evening peak from 4pm to 9pm had a peak WEC of \$253.43/MWh and an off peak WEC of \$41.69/MWh for the 7 hour period from 9pm to 4pm.

The time varying WEC3 had the same 5 hour evening peak of 4pm to 9pm but its peak WEC was cheaper at \$245.54/MWh and its off peak WEC was also cheaper at \$39.86/MWh but the off peak period was shorter at 5 hours from 11am to 4pm.

For time varying WECs the peak WEC can be about \$100/MWh more expensive than the flat DMO.

This demonstrates that energy consumers opting for the Solar Sharer Offer would need a strong understanding of their energy consumption between 4pm and 9pm and should be realistic about their ability to shift their demand to the middle of the day before signing up to the Time of Use/SSO DMO. History tells us that the majority of energy consumers would prefer to be on a flat rate tariff rather than a Time of Use /SSO tariff.

Both the AER and QCA do not have the in-house expertise to estimate the TEC and WEC.

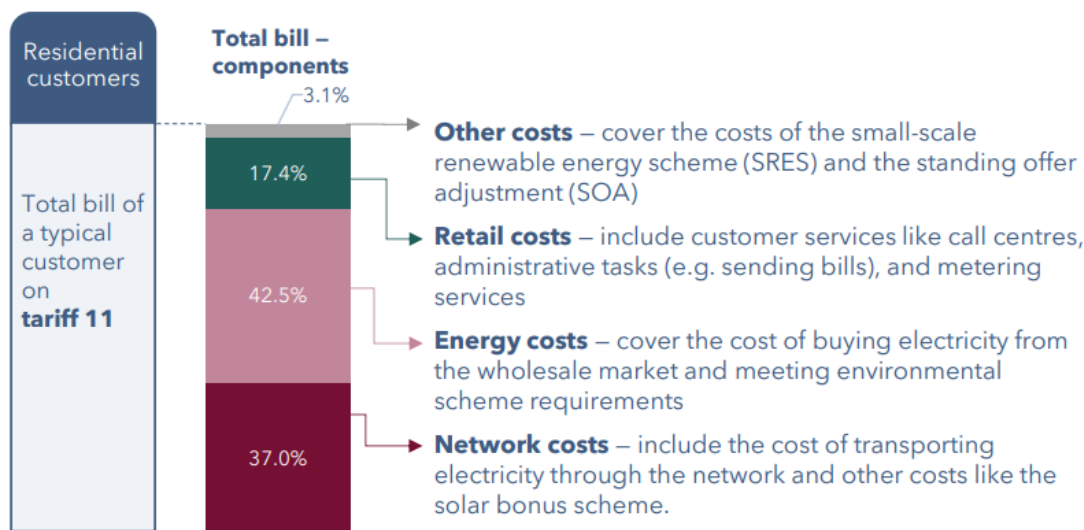
The private consultant uses a proprietary program that will have to be adjusted to take into account the supply of 3 hours of free electricity in the middle of the day at time period nominated by the AER and subsequently copied by the QCA.

For the 2025-26 regulated retail electricity prices for regional Queensland, the TEC represents 42.5% of a typical residential annual power bill and 40.9% of a typical annual small business power bill (Figure 6 and 7).

This means a single private consultant controls the cost of about 40% of a power bill to around 900,000 customers across Queensland because the AER and the QCA do not have the necessary in-house expertise. Without the pre-requisite in-house expertise, it is not possible for the AER to design the DMO/SSO guidelines nor effectively police the SSO.

**Figure 6:**

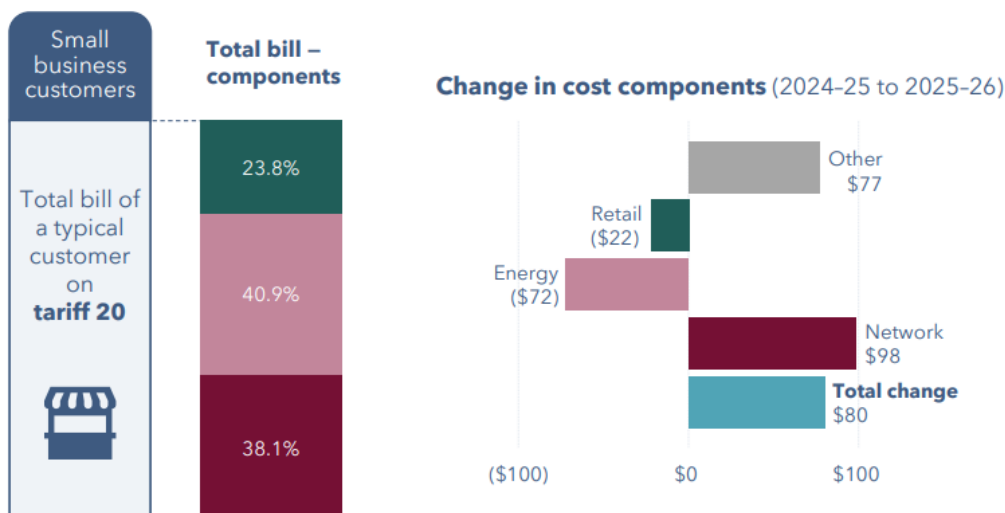
**Power bill cost components for a residential customer on 2025-26 regulated retail prices for regional Qld**



Source: Information booklet regulated retail electricity prices 2025-26, QCA, June 2025

**Figure 7:**

**Power bill cost components for a small business customer on 2025-26 regulated retail prices for regional Qld**



Source: Information booklet regulated retail electricity prices 2025-26, QCA, June 2025

## The SSO is a missed opportunity to grow the economy and jobs

It is often said there is no energy transition without transmission.

But another saying which is continually ignored by government policy makers is small business is the engine room of the economy.

Throughout Australia the small business sector has time and time again reiterated electricity costs are in the top 3 impediments to the profitability and viability of small businesses.

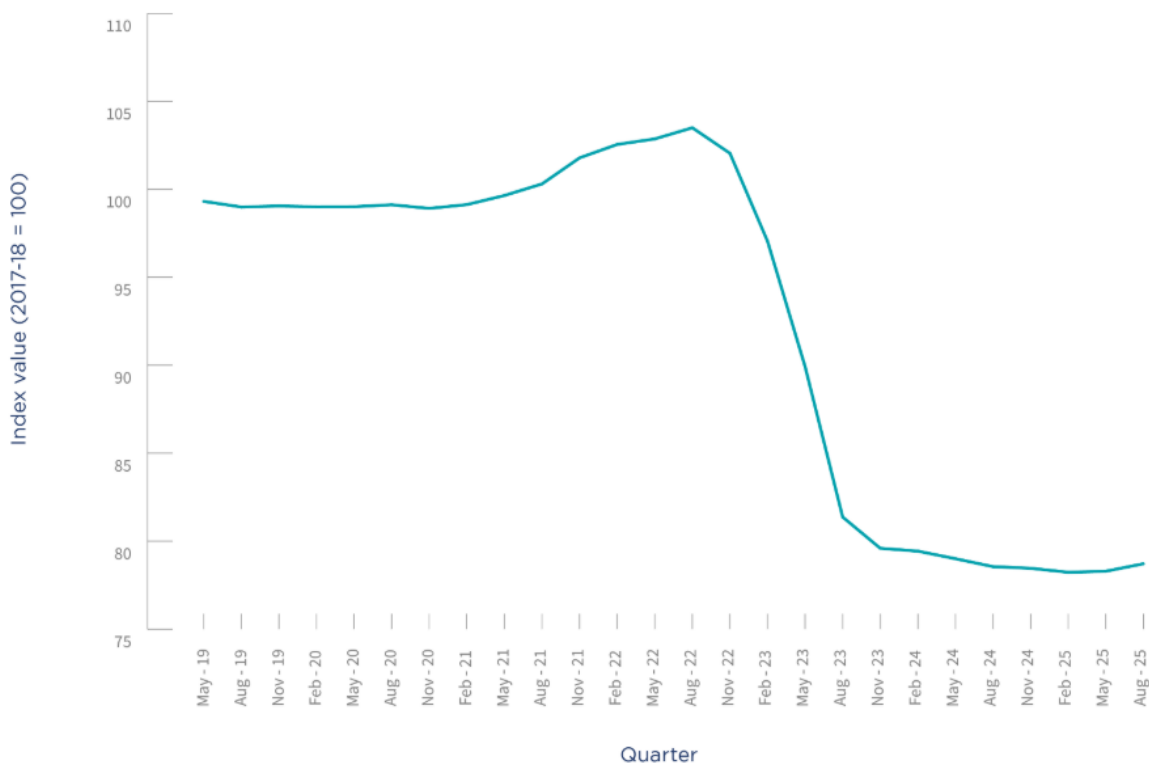
Whilst rising inflation ensures the cost of living crisis continues, rising inflation also ensures the cost of doing business crisis continues for small business.

In recent times large multinational businesses in critical industry sectors across Australia have received billions in government bailouts, much of it necessary because of their unaffordable power bills.

Small business receives no government bailouts and there are no hardship programs for small businesses struggling to pay their power bills.

Consequently, the pulse of small business has plummeted and flatlined (Figure 8).

**Figure 8: The pulse of small business**



Source: Small business pulse, Australian Small Business and Family Enterprise Ombudsman. August 2025

The Federal government raises about 80% of the total tax revenue in Australia, with the State and Territory governments receiving about 45% of their revenue through transfers from the Federal government, which includes GST revenue. For example, for Queensland in 2025-26 its 44.9% or \$41 billion (Figure 9 & Table 4).

Of the Federal government's total taxation receipts budgeted for in 2025-26, about 52% is individual or personal income tax and about 21% is company tax (Table 5).

Small business represents 97.2% of total businesses in Australia (Table 6).

Small business also employs over 5.1 million Australians, more than medium businesses and more than large businesses.

Therefore, small business is the largest source of personal income tax revenue for the Federal government yet small businesses are reducing their workforce and workforce hours to accommodate rising power bills.

This will result in less revenue from personal income tax – the largest source of revenue for the Federal government. By not considering free solar for a specified period of time for small businesses there has been a missed opportunity to grow the Australian economy and Australian jobs.

**Table 6: Business size measured by employment in June 2024**

Number of employees	Number of businesses	% of total businesses
Small business (0-19 employees)	2,589,595	97.2%
Medium business (20-199 employees)	68,214	2.6%
Large business (200+ employees)	5,189	0.2%
<b>Total</b>	<b>2,662,998</b>	<b>100.0%</b>

Source: Australian Small Business and Family Enterprise Ombudsman website, November 2025

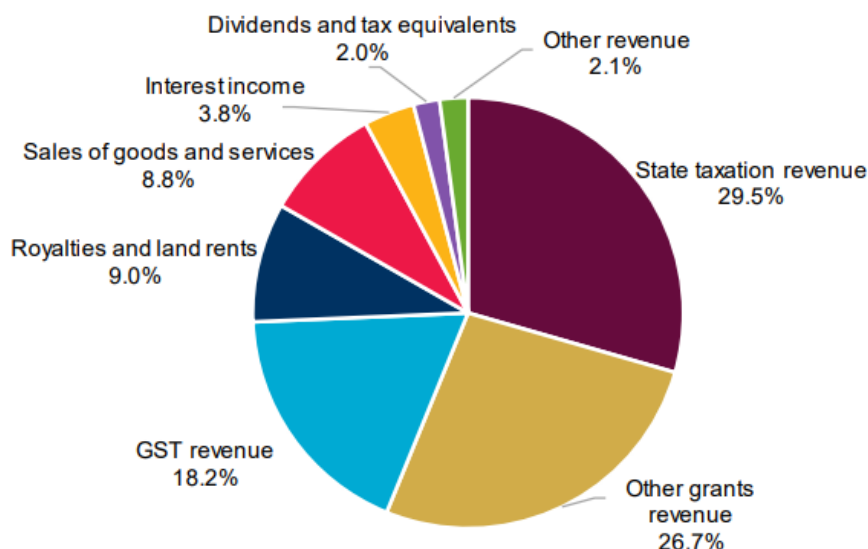
**Table 7: Employment numbers ('000s) by business size**

Size	2021-22	Percentage	2022-23	Percentage	2023-24	Percentage
Small Business (0-19 employees)	5,150	42%	5,290	41%	5,165	39%
Medium Business (20-199 employees)	2,993	24%	3,176	25%	3,375	26%
Large Business (200+ employees)	4,214	34%	4,387	34%	4,656	35%
<b>Total</b>	<b>12,357</b>	<b>100%</b>	<b>12,853</b>	<b>100%</b>	<b>13,196</b>	<b>100%</b>

Source: Australian Small Business and Family Enterprise Ombudsman website, November 2025



**Figure 9: Revenue by operating statement category, 2025-26**



Note:

1. Numbers may not add up to 100 per cent due to rounding.

Source: Budget Paper 2, 2025-26 Queensland Budget

**Table 4: Queensland general government sector revenue**

	2023-24 Actual \$ million	2024-25 Est. Act. \$ million	2025-26 Budget \$ million	2026-27 Projection \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million
Taxation revenue	22,659	25,015	26,907	28,723	30,442	32,154
Sales of goods and services	7,143	7,846	8,057	8,017	7,566	7,690
Interest income	3,617	3,645	3,474	3,387	3,335	3,310
<b>Grants revenue</b>						
GST revenue	19,283	18,917	16,625	19,422	22,720	25,414
Australian Government and other grants and contributions	16,924	18,609	19,115	18,830	19,307	20,044
Australian Government capital grants, other grants and contributions	3,857	3,880	5,250	5,167	3,515	3,440
<b>Dividend and income tax equivalent income</b>						
Dividends	1,089	1,037	1,226	1,122	1,030	1,216
Income tax equivalent income	389	492	568	437	384	396
<b>Other revenue</b>						
Royalties and land rents	12,959	8,108	8,181	8,053	7,708	7,050
Other	1,848	1,927	1,933	1,727	1,739	1,742
<b>Total revenue</b>	<b>89,768</b>	<b>89,476</b>	<b>91,337</b>	<b>94,886</b>	<b>97,748</b>	<b>102,457</b>

Note:

1. Numbers may not add due to rounding.

Source: Budget Paper 2, 2025-26 Queensland Budget

**Table 5: Australian government general government (cash) receipts**

	Actual	Estimates				
	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Individuals and other withholding taxes						
Gross income tax withholding	294,949	293,600	310,600	327,000	346,800	368,700
Gross other individuals	74,199	80,500	79,900	84,900	90,700	97,700
less: Refunds	37,635	39,200	40,800	41,900	44,400	46,100
Total individuals and other withholding tax	331,513	334,900	349,700	370,000	393,100	420,300
Fringe benefits tax	4,632	4,950	5,080	5,110	5,220	5,440
Company tax	141,177	133,500	140,400	144,500	144,000	149,300
Superannuation fund taxes	12,465	22,810	25,560	26,110	26,110	28,860
Petroleum resource rent tax	1,144	1,450	1,950	1,800	1,650	1,450
<b>Income taxation receipts</b>	<b>490,931</b>	<b>497,610</b>	<b>522,690</b>	<b>547,520</b>	<b>570,080</b>	<b>605,350</b>
Goods and services tax	85,031	89,400	94,234	99,309	104,868	110,481
Wine equalisation tax	1,091	1,110	1,200	1,240	1,300	1,350
Luxury car tax	1,253	1,170	1,200	1,270	1,330	1,400
Excise and customs duty						
Petrol	6,941	7,250	7,450	7,600	7,800	8,100
Diesel	16,092	17,390	17,850	18,770	19,470	20,060
Other fuel products	1,999	2,040	2,020	2,070	2,120	2,170
Tobacco	9,730	7,400	7,050	6,800	6,750	6,700
Beer	2,599	2,750	2,780	2,910	2,970	2,990
Spirits	3,208	3,280	3,380	3,430	3,450	3,450
Other alcoholic beverages(a)	1,686	1,770	1,830	1,930	1,950	2,000
Other customs duty						
Textiles, clothing and footwear	159	160	170	180	150	160
Passenger motor vehicles	391	380	380	350	120	120
Other imports	1,501	1,560	1,620	1,680	890	910
less: Refunds and drawbacks	791	870	730	730	730	730
Total excise and customs duty	43,514	43,110	43,800	44,990	44,940	45,930
Major Bank Levy	1,623	1,770	1,850	1,930	2,030	2,140
Agricultural levies	637	735	669	684	691	712
Visa application charges	3,385	4,129	4,199	4,402	4,579	4,696
Other taxes	5,936	6,209	6,244	6,211	6,120	6,208
<b>Indirect taxation receipts</b>	<b>142,469</b>	<b>147,632</b>	<b>153,396</b>	<b>160,036</b>	<b>165,859</b>	<b>172,916</b>
<b>Taxation receipts</b>	<b>633,400</b>	<b>645,242</b>	<b>676,086</b>	<b>707,556</b>	<b>735,939</b>	<b>778,266</b>
Sales of goods and services	19,867	21,796	21,921	22,974	24,192	25,304
Interest received	10,509	9,520	9,389	8,939	9,798	10,109
Dividends and distributions	6,412	7,380	7,416	7,766	8,212	8,946
Other non-taxation receipts	18,397	19,984	20,540	18,736	19,238	18,214
<b>Non-taxation receipts</b>	<b>55,185</b>	<b>58,680</b>	<b>59,266</b>	<b>58,414</b>	<b>61,440</b>	<b>62,573</b>
<b>Total receipts</b>	<b>688,585</b>	<b>703,922</b>	<b>735,353</b>	<b>765,970</b>	<b>797,379</b>	<b>840,840</b>
<i>Memorandum:</i>						
Total excise	29,761	31,680	32,450	33,810	34,860	35,900
Total customs duty	13,753	11,430	11,350	11,180	10,080	10,030
Capital gains tax(b)	26,400	30,700	27,600	27,600	28,900	30,200

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Source: Budget Paper No.1, 2025-26 Australian Budget

Our first reaction to the 3 hours of free solar was who was going to pay and would it really solve the problem of the growing incidence of dispatch intervals with negative wholesale electricity prices.

We are not convinced the solution to the problem is the Solar Sharer Offer.

We strongly encourage the Federal government to engage more widely before progressing with the Solar Sharer Offer.

Our best contact is 0428 363 474.

Yours faithfully

A handwritten signature in purple ink that reads 'JBrownie'.

Jennifer Brownie  
Coordinator