

# POWER GAMES: WHO'S DRIVING HIGH POWER BILLS?

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**The Climate Council acknowledges the Traditional Owners of the lands on which we live, meet and work. We wish to pay our respects to Elders, past and present, and recognise the continuous connection of Aboriginal and Torres Strait Islander peoples to land, sea and sky. We acknowledge the ongoing leadership of First Nations people here and worldwide in protecting Country, and securing a safe and liveable climate for us all.**



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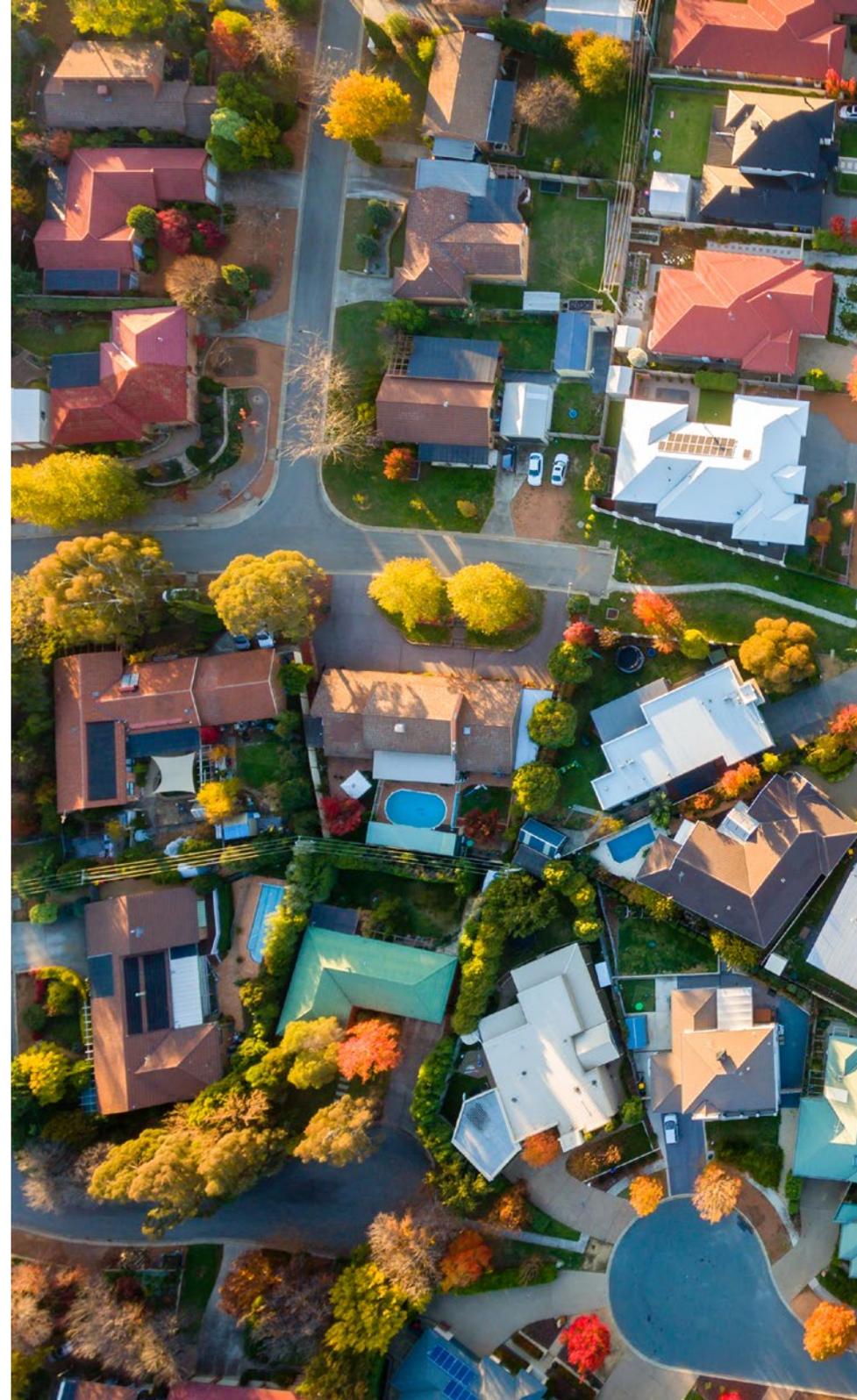
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# Key findings

## 1 Expensive and polluting gas is the main reason electricity prices are so high.

- › Domestic gas prices have surged since Australia began exporting fossil gas from the east coast in 2015, exposing households to volatile global markets.
- › Gas prices and wholesale electricity prices rise and fall together. Although fossil gas provides only around 5% of electricity in Australia's main grid, it sets the wholesale electricity price up to 90% of the time.
- › Since Russia's invasion of Ukraine, gas exporters have made close to \$100 billion in extra revenue while many Australians struggled to keep up with rising power bills.

## 2 Ageing and polluting coal power stations are driving the biggest electricity price spikes.

- › Most of Australia's coal power stations are more than 40 years old. That's near or beyond their expected operating life, and they are frequently breaking down.
- › Units at NSW's Eraring power station are out for more than 6,000 hours (more than 8 months) every year on average. In total last year there have been coal outages in both NSW and Queensland equivalent to every unit in these states being offline for more than 80 days, while Victoria was not far behind on 70 days.
- › When coal generators fail, the system relies more heavily on expensive fossil gas, which contributes to prices sharply rising. Five of the most severe electricity price spikes in recent years were caused by unexpected coal outages.
- › Coal-fired power stations are among Australia's largest sources of climate pollution. This is worsening extreme heat, bushfires and other climate impacts that add household costs.

## 3 Millions of Australians are paying too much for electricity because the system penalises loyalty.

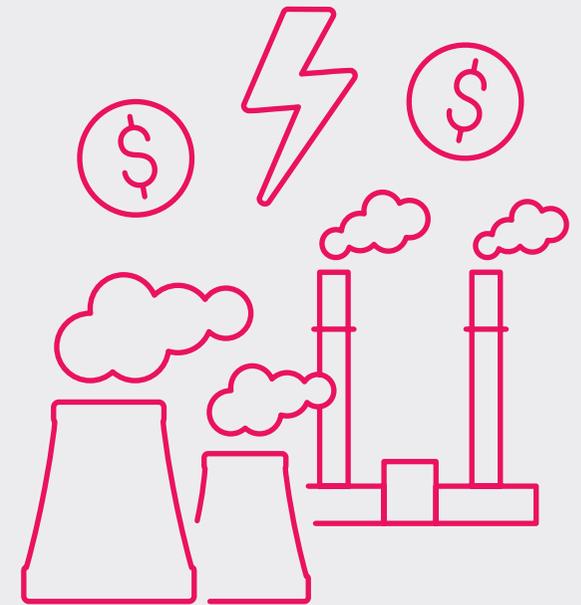
- › Our biggest energy retailers are also some of the country's biggest polluters, making huge profits from their operation of gas and coal generators as well as retail margins.
- › The total annual profit of the big three gentailers is enough to cancel the debt of all Aussies struggling to pay their electricity bills 7x over.
- › Around 2.5 million households (37%) are paying more than they should for electricity. These households could save \$291, on average, by switching to a better offer. Australians who stay on the same electricity plan for more than three years are paying a "loyalty tax": on average paying \$221 each year more than those on new plans.
- › South Australians who stick with their retailer paid the highest loyalty tax of \$408, followed by those in NSW (\$303), Victoria (\$269) and Queensland (\$213).
- › In the past 12 months, at least 14 retailers were found to be in breach of consumer protection laws, affecting at least one million people and costing them almost \$55 million.

## 4 Clean electricity is already cutting pollution and power bills for many households across the system.

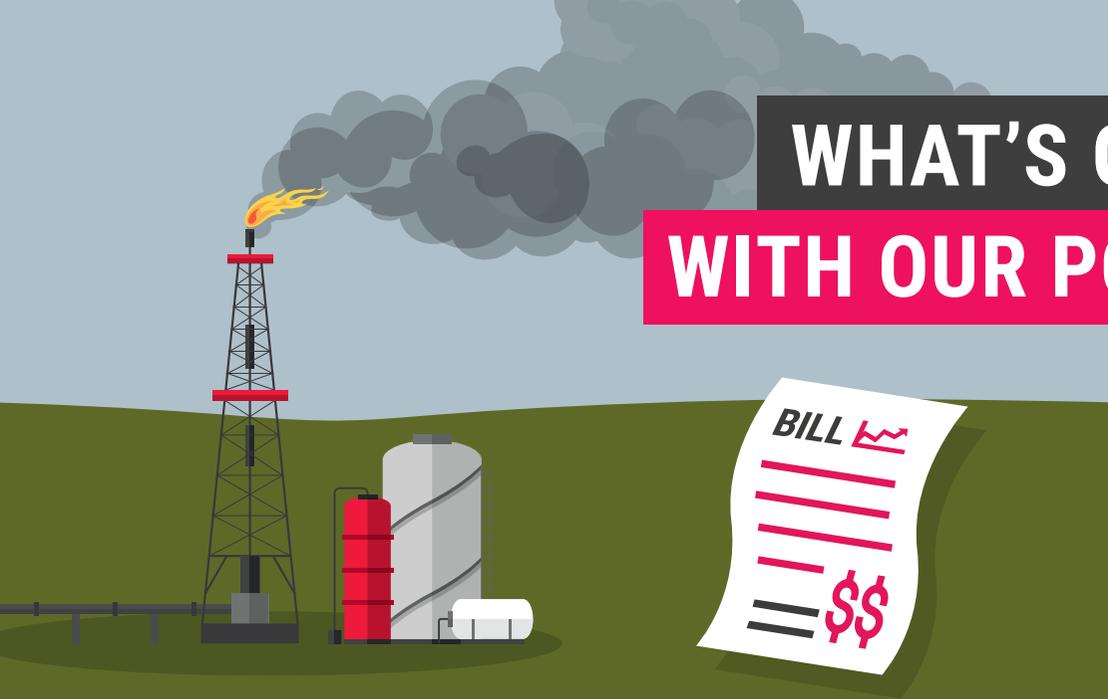
- › The renewables in our grid lowered average household electricity bills by up to \$417 in 2024 collectively saving households up to \$3.8 billion in just one year.
- › Renewables and storage now provide close to 45% of electricity in Australia's main grid, which is driving down wholesale prices.
- › As temporary energy rebates end, households without access to clean electricity are more exposed to rising bills and price shocks. For example, the median household bill in 2025 was \$2,467. With energy rebates that dropped to \$1,917 on average, nationally, whereas solar and a battery can reduce bills by up to 90%, or down to just \$247.
- › More than four million (one in three) households have rooftop solar, saving about \$1,500 a year on average on electricity bills. In the last half of 2025, nearly 185,000 households installed home batteries, which boosts savings and reduces exposure even more.

## 5 Governments need to get on with rolling out renewable energy and storage, and ensure the benefits are shared by everyone.

- › Past planning failures added unnecessary costs into power bills, with household bills rising 44% by 2016 due to overinvestment in electricity networks — costs that are still being paid off today.
- › New transmission that connects us to abundant, low-cost renewable energy is different: it is expected to deliver net, national savings of around \$24 billion by 2050 compared with not building it.
- › Expanding renewable energy, storage and transmission reduces exposure to volatile fossil fuel prices and lowers long-term costs for households and businesses.
- › Stronger protections are needed so savings flow through to people's power bills, rather than energy companies.



# WHAT'S GOING ON WITH OUR POWER BILLS?

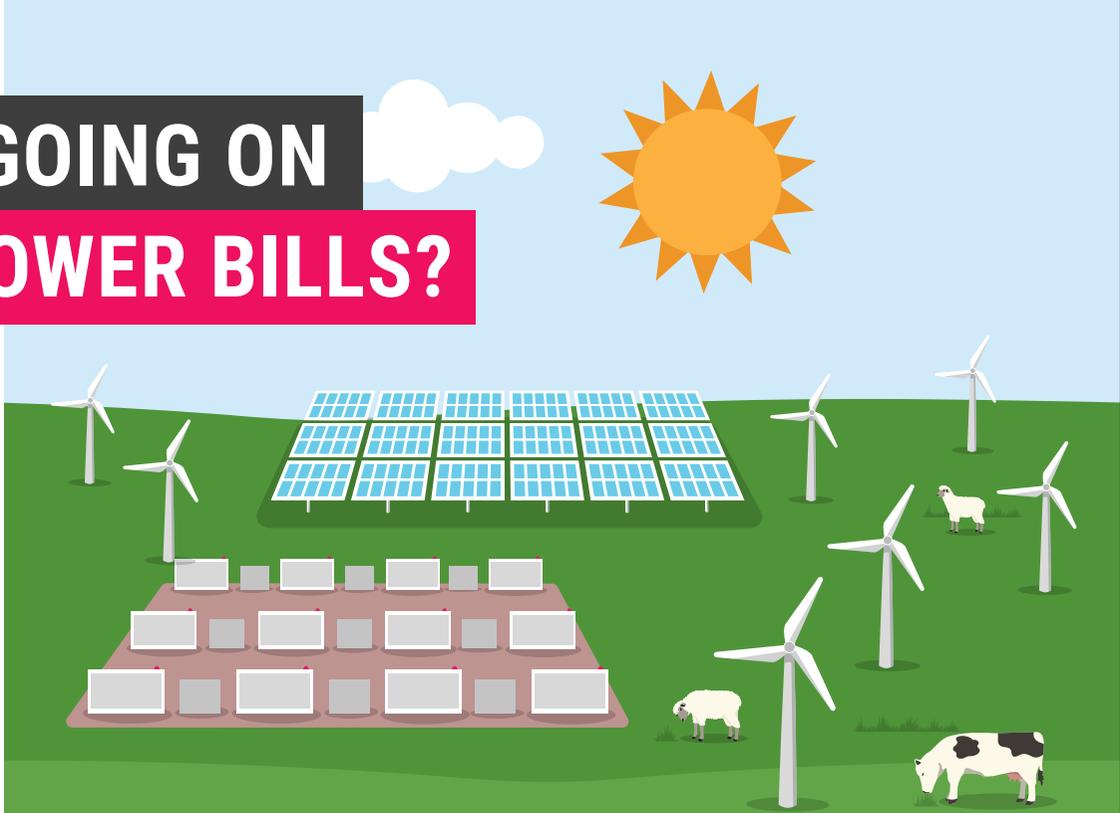


Expensive, polluting gas

Dodgy energy retailers



Are sending power bills  
through the roof



Abundant, clean renewables put  
the power back in our own hands

Poor past planning

Unreliable coal stations



# Introduction

Power bills have become a growing source of stress for Aussie families and businesses. Many families are forced to make impossible choices: [three in 10 parents](#) are struggling to afford basics like food, electricity and insurance. Government rebates provided some relief, but this was only a band-aid solution. This year, many of us will be paying significantly more than we have been over the past 18 months as the energy bill rebates come to an end. It's clear that the way we power ourselves is no longer working for Australian communities and businesses.



Power prices are complex, and it can be hard to know what's really going on. In short, there are three key drivers behind our high power prices:

1. Australia remains heavily reliant on ageing coal-fired power stations and expensive gas, and that dependence is pushing power prices higher. Since Australia began exporting gas from the east coast gas prices have surged, leaving Aussies exposed to volatile international markets. At the same time, Australia's ageing coal fleet is breaking down more often, driving some of the worst price spikes seen in recent years.
2. Network costs jumped between 2007 and 2015 thanks to years of unnecessary overinvestment in our poles and wires, which we are still paying off.
3. Millions of Australians are being overcharged for electricity in a system that penalises loyalty. Australia's largest polluters are among the biggest culprits, and have recently been fined for overcharging and misleading customers.

More renewable energy offers a clear solution. Unlike fossil fuels, they rely on a free and abundant source of energy, and are not subject to global price shocks. Solar and wind projects are far cheaper to build and operate than new coal or gas projects, and so provide the cheapest source of power available. Backed by

storage like batteries and pumped hydro, renewables can power our homes, industry and businesses around the clock. The new transmission needed to connect renewable energy is expected to deliver net savings to homes and businesses. And, by installing rooftop solar, batteries and ditching gas, households and businesses can take back control of their energy and cut their bills by up to 90%.

Renewables and storage now provide, on average, nearly 45% of electricity in Australia's main grid, and this share is growing rapidly. In the last three months of 2025, they provided more than half our power for the first time, cutting wholesale power prices almost in half. Power bills are tipped to fall by 5% over the next five years as we pick up the pace. Renewables are powering ahead, but the switch to cleaner, cheaper power, and its bill-busting benefits, isn't yet guaranteed. Delays, hesitations, or u-turns all threaten to increase Australian's power bills. However, the opposite is also true – accelerating the rollout of renewable power can keep bills as low as possible, all while boosting energy security and cutting climate pollution.

**With one third of Australians struggling to stay on top of their energy bills, and just four years left in this critical decade for climate action, it's time to double down on the switch to renewable power.**

# First up, what's in a power bill?

It may not be obvious, but only about 40% of your power bill relates to the cost of the electricity you use. There are four key factors that determine how much we pay:

## 1. WHOLESALE COSTS (38%)

The cost of generating the electricity you use. On average, the wholesale price of power from renewables is [around half the price](#) of power from fossil fuels.



## 3. RETAIL PROFIT MARGIN (6%)

The standard retail margin is 6% of a bill, but nearly 40% of us are paying more than we should be for our electricity – with retailers being the ones that benefit.



## 2. NETWORK COSTS (39%)

The costs of maintaining and building the infrastructure that delivers electricity from where it is made, to our homes and businesses. This includes:



**Transmission** – the highway system that transports power from where it is created, to where it is used. Transmission only makes up about 6-8% of an overall power bill.

**Distribution** – the poles and wires on our streets that deliver power directly to homes and businesses. Distribution makes up the [majority of network costs](#).

## 4. OTHER COSTS (17%)

Such as the costs of providing energy retail services (including billing and advertising) and complying with government requirements.





# Energy Company

To: The Climate Council

## Your electricity account

Account number: 123 456 789 101

National Metering Identifier (NMI): 123 456 789

Service address: 123 Address Street, Sydney, NSW 2000

Bill issue date: 30 Sep 2025

The Australian Government and your State Government are supporting customers to reduce bills. Check the understand your bill section to see if you have received a rebate or concession. More information at [energy.gov.au](http://energy.gov.au)

## Could you save money on another plan?

Based on your past usage, our **Flexi Plan (Home)** may cost you up to **\$483 incl. GST less per year** than your current plan.<sup>^^</sup> Compare and switch at. Compare other plans at [energymadeeasy.gov.au](http://energymadeeasy.gov.au)

If this plan has the same name as your current plan, you are on an older version of plan which has different rates. You can still save money by switching to a newer version.

The Australian Energy Regulator requires us to include this information.

## Electricity payment options

If your bill has been delayed, you are entitled to an extended amount of time to pay.

Amount due:

**\$661.91**  
(incl. GST)

## Need to get in touch?

Enquiries and Complaints:

Online:

Your energy ombudsman:  
Energy & Water Ombudsman NSW  
1800 2246 545

Faults or emergencies:  
Street Light or Power failure Ausgrid 131 388

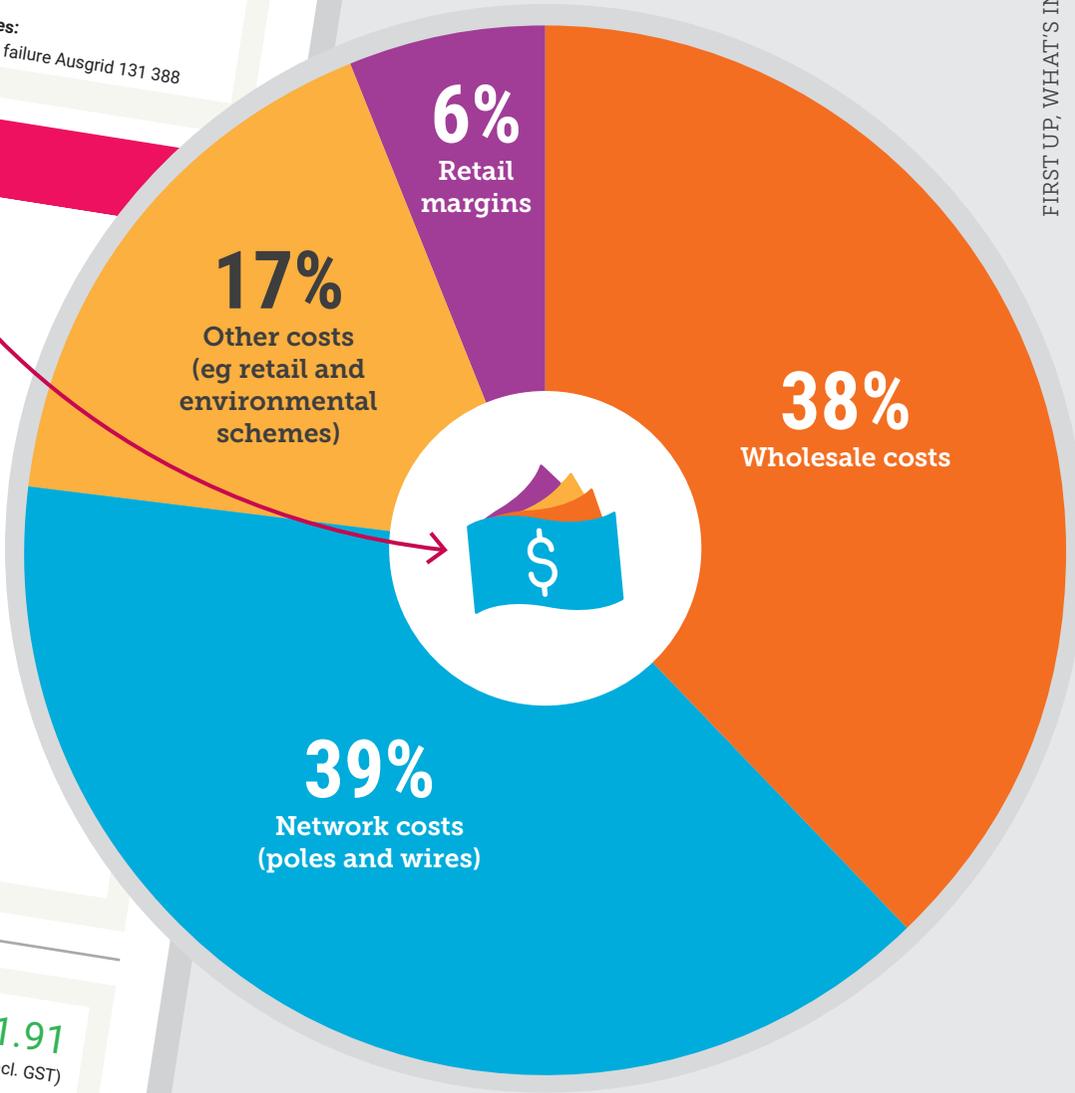
## Your bill

Amount due:

**\$661.91**

Direct debit due date:

**20 Oct 2025**



# So, what *is* happening to our bills?





## 1. WHOLESALE COSTS

# Coal and gas are sending wholesale prices through the roof

Once a relatively steady part of our power bills, wholesale power prices in our main grid have more than doubled in the past decade. Prices started rising when gas from Australia's east coast started being exported in 2015, and a failure to replace ageing coal-fired generators plants has made matters even worse.

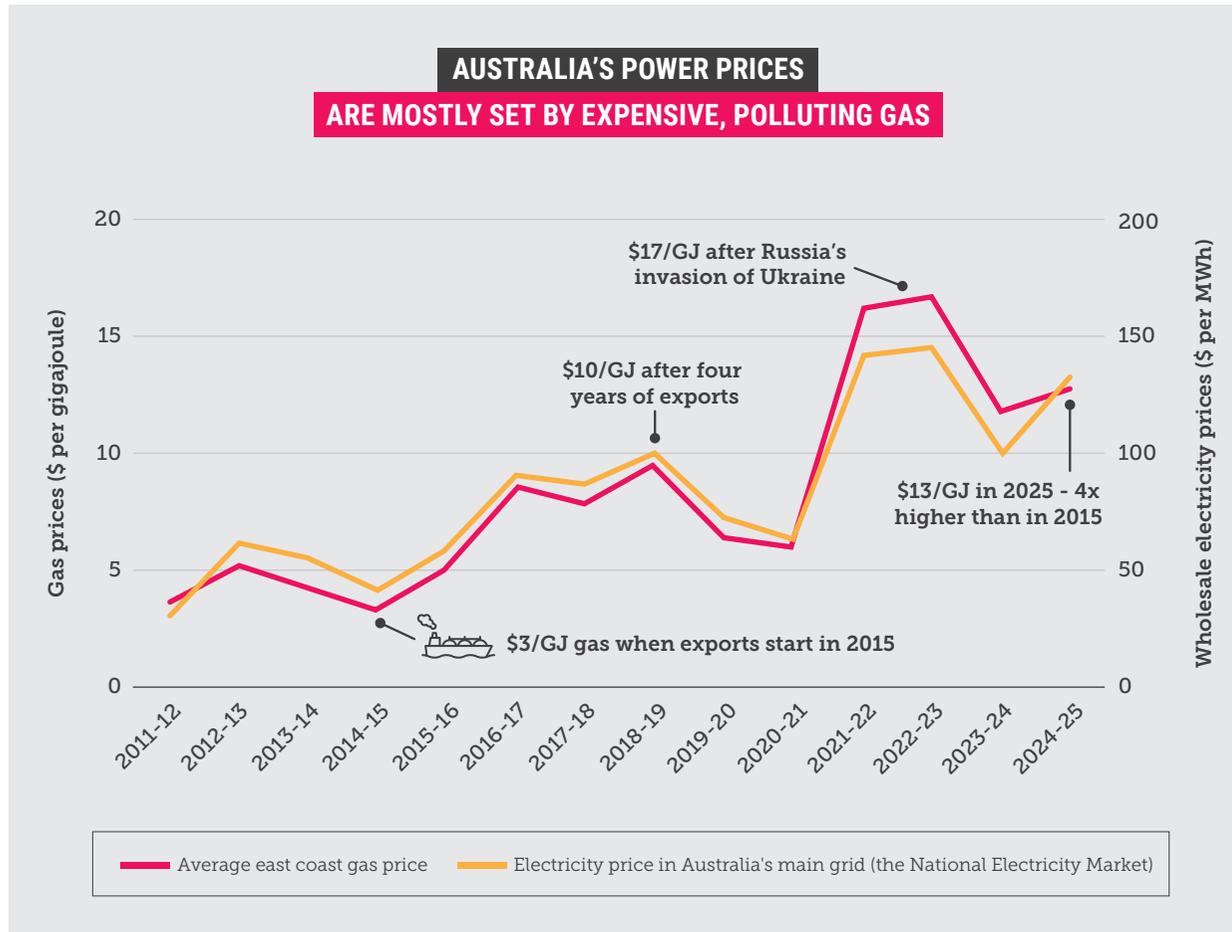
### GAS PRICES HAVE SURGED SINCE 2015, PUSHING UP POWER PRICES ALONG THE WAY

Despite the mix of different electricity sources in our grid, gas plays an outsized role in setting the price of power. In fact, gas [sets the price of electricity up to 90%](#) of the time – despite providing only about 5% of our power. This is because in our energy market, the most expensive generator needed to meet demand sets the price for all electricity at that time. And with gas prices skyrocketing in recent years, that's bad news for our power bills.

Many Australians will remember a time when fossil gas was an abundant, low-cost source of energy. But this all changed in 2015, when the east coast gas market opened and we started shipping huge amounts ([more than 80%](#)) of our gas overseas. In some cases, countries are buying our gas, then [on-selling it](#) for even bigger profits.

Even though we produce far more gas than we need, gas prices in Australia have skyrocketed. With most of our gas being shipped offshore, Australian families and businesses – including power generators – are now paying higher global gas prices. Prior to 2015, gas prices had stayed consistently around [\\$3-5 per gigajoule](#) (GJ). Ten years on, gas prices are steadily sitting up to four times higher: [around \\$13-15/GJ](#). Worse still, our exposure to global markets means that the price of gas is more volatile, and vulnerable to events around the world – like Russia's invasion of Ukraine in 2022. As a result, electricity generated with gas has become extremely expensive, and has been a major factor in wholesale power prices more than doubling in the past decade.

## 1. WHOLESALE COSTS



As global energy prices have skyrocketed, multinational corporations have reaped huge profits by exporting our fossil gas.

Figure 1: Average prices for the financial year. Source: [Australian Energy Regulator 2025: gas market prices](#); [Open Electricity 2025](#); based on analysis by [Nolan, Gilmore, and Munro 2022](#).

## 1. WHOLESALE COSTS

### Gas is undoing the bill-busting benefits of cheap, clean solar power

The impact of gas on our bills is especially significant in the evenings. During the day when solar power is flooding the grid, wholesale prices go down – sometimes even into negative territory. However, in the afternoons and evenings as the sun goes down, demand rises as people come home from work and school. For short periods of time we're using more fossil fuels, especially gas, and that's driving wholesale prices up overall. Those high price peaks can [outweigh the benefits](#) of record low daytime prices.

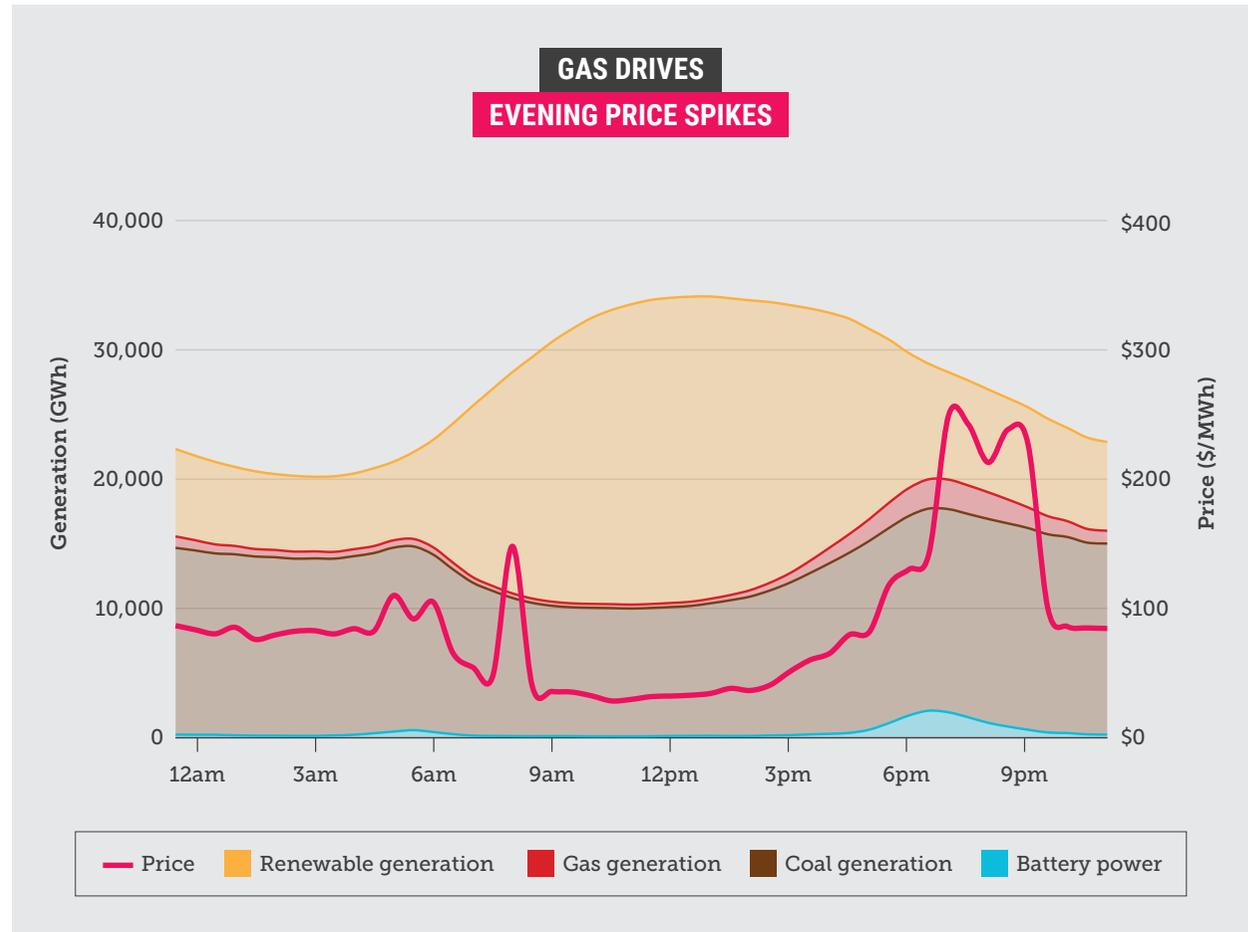


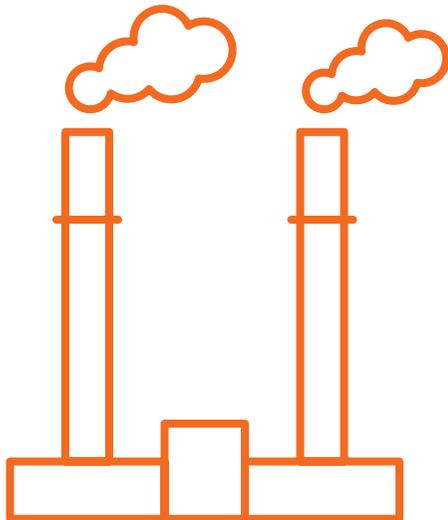
Figure 2: Average generation mix and wholesale prices throughout the day in the NEM, for the period 16 January 2026 - 13 February 2026. Source: [Open Electricity](#).

## 1. WHOLESALE COSTS

### Gas corporations are profiting while we struggle to pay our bills

As Australian energy prices have skyrocketed, multinational corporations have reaped huge profits by exporting our fossil gas. In 2024 alone:

- › [Santos](#) made a net profit of \$1.8 billion globally. [Analysis by the Institute for Energy Economics and Financial Analysis \(IEEFA\) shows](#) Santos and its partners have directly contributed to rising gas prices in eastern Australia, by siphoning gas from the domestic market to export from their Gladstone operations in Queensland.



- › [Origin Energy](#) – one of the biggest east coast gas exporters, and also one of Australia’s biggest electricity retailers – made a profit of [\\$1.5 billion in 2024-25](#). Origin and partners are currently seeking federal government approval to drill [4,435 coal seam gas wells](#) across tens of thousands of square kilometres in Queensland. While the project claims to be about increasing Australia’s energy security, a significant proportion of the gas would be exported.
- › [Shell](#) made around [\\$24 billion](#) while [continuing to expand](#) its gas production in Australia. [Shell claims](#) that new gas supply is essential to Australia’s shift to renewables, when in reality, we already produce more than enough gas to meet the needs of Aussie families, businesses and industries during this transition. Gas from Australia’s existing projects would be enough to power our domestic energy needs for [more than 60 years](#).

Gas exporters enjoyed a particularly lucrative period in the wake of Russia’s invasion of Ukraine. As Europe slashed its use of Russian gas, demand soared, pushing gas prices to unprecedented levels – including in Australia. As Australian families and businesses paid the price of high power bills, multinational gas corporations enjoyed [close to \\$100 billion](#) in extra revenue.

Gas corporations continue to pursue new gas projects in Australia, seeking to boost profits, despite the harm caused by the [billions of tonnes of climate pollution](#) attributable to the industry. Meanwhile, more and more Australian households are [struggling to stay on top of their power bills](#), and industries are [under significant pressure](#), and even closing down, due to the high cost of gas. To make matters worse, gas companies pay royalties on [less than half of the gas](#) exported from Australia, effectively giving Australian gas – a public resource – to multinational corporations for free. They also use [all kinds of accounting tricks](#) to reduce their tax bill – often paying less tax on their income than than an average Australian worker, and in many cases barely paying any tax at all.

Gas is made up mostly of methane, an extremely potent greenhouse gas. Together, our gas and coal exports make Australia the [second largest exporter of climate pollution](#) in the world, second only behind Russia, despite making up just 0.3% of the global population. No matter where climate pollution is released in the atmosphere, it fuels the climate crisis and harms Australian communities, businesses and our environment.

## 1. WHOLESALE COSTS



### THE GOOD NEWS: GAS HAS A SMALL AND SHRINKING ROLE TO PLAY IN OUR GRID

Continuing to rely on expensive, polluting gas, will cost households and the climate. Analysis by [Nexa Advisory](#) found that an over reliance on expensive gas generation, which could occur if the build out of renewable energy generation, transmission and storage were delayed, risks increasing wholesale costs by almost \$116 billion (more than 20%) by 2050.

By expanding our clean energy and storage capacity, we can limit gas to a small residual 'firming' role in our grid. Already, batteries are providing more of our power and reducing the role of gas. In the last three months of 2025, batteries provided [around 1% of our power](#) (nearly triple as much as the previous year), while the share of gas in the grid has dropped to 3% – compared to more than 4% last summer. Over the same period, batteries [helped put downward pressure on prices](#) and reduce sharp price spikes in the evening peaks: overall, wholesale prices were 44% lower than the same time last year.

By next year, big batteries are set to make up a [greater share of our main grid](#) than gas. We need to prioritise reducing our gas use as much as possible, so we deliver energy bill savings for households and businesses while cutting climate pollution.



## 1. WHOLESALE COSTS

### AGEING COAL POWER STATIONS ARE INCREASINGLY FAILING, DRIVING UP PRICES

Australia's electricity system was built around centralised coal-fired generation. Most of Australia's coal generators are now [more than 40 years old](#) – some of them have been operating since the 1970s, when they were largely owned and funded by state governments. Just like a car, coal stations can't run forever. In Australia, the average lifespan of a coal power station is around [45 years](#).

We have known since [at least 2016](#) that Australia's ageing coal generators were on the way out, and would need timely replacement with renewables and storage to keep our grid running smoothly. Unfortunately, the then federal Coalition Government failed to act, leaving state

governments to pick up the pieces. The result was an inconsistent and hesitant response: [energy policies were chopped and changed](#) and replacement capacity was not built quickly. Today, our grid remains too reliant on ailing coal generators, and Australians are paying the price.

As our coal stations age, their ability to reliably produce power has dropped off dramatically. Australia's largest coal-fired power station, the recently extended 43 year-old Eraring Power Station in NSW's Hunter Valley, had [more than 6,000 hours \(250 days\) of planned and unplanned outages](#) on average over the past four years. In total in the 12 months to November 2025, there

have been coal outages in NSW and Queensland equivalent to every unit in these states being offline for [more than 80 days](#), while Victoria was not far behind on 70. As at 17 February 2026, there have already been [15 coal failures and breakdowns](#) in our main grid this year.

Coal outages are not only a [major power outage risk](#), but are also causing severe price spikes. During coal outages, fossil fuel corporations take advantage of reduced energy capacity and [jack up their prices to maximise profits](#). At the same time, expensive gas generation is increasingly lent on to meet our electricity needs.

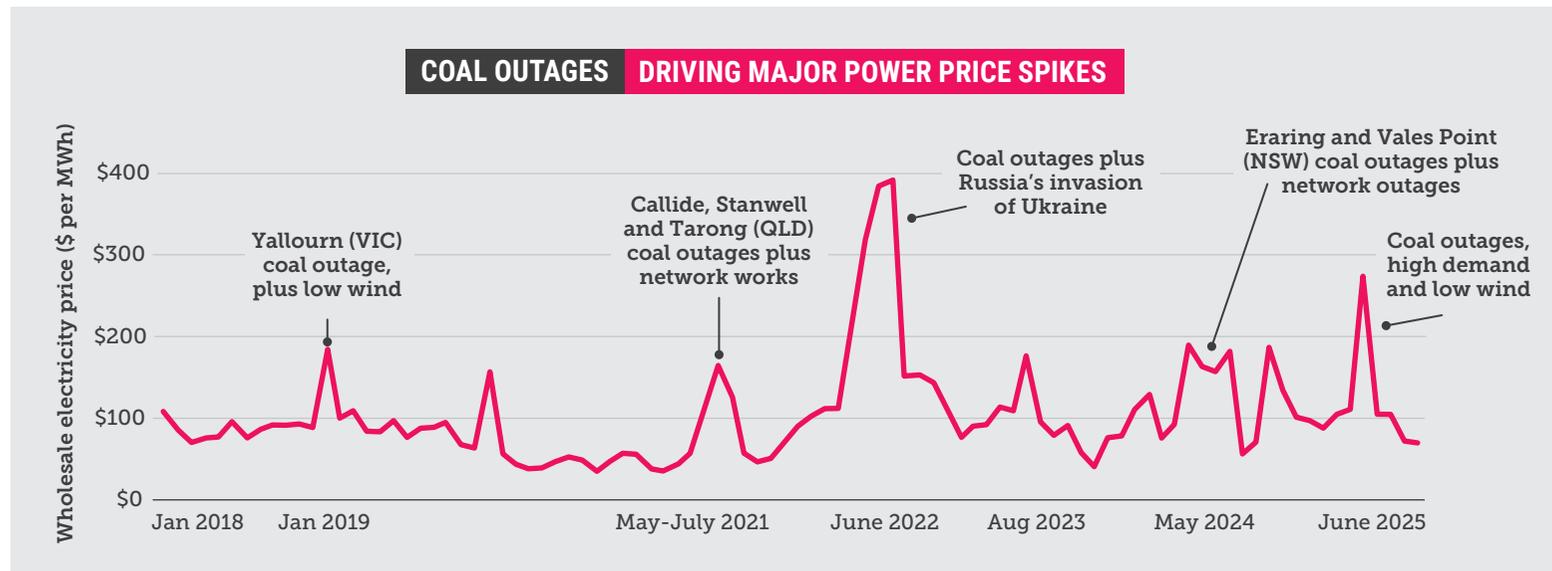


Figure 3: Monthly average wholesale prices in the NEM. Source: [Baringa 2024: The challenge of ageing coal generators and the growing role of storage in grid reliability](#); [AEMO Quarterly Energy Dynamics Q2 2025](#); [Open Electricity 2025](#).

## 1. WHOLESALE COSTS

### Replacing our coal fleet with renewables is the best, lowest-cost option

Australia's energy market operator is preparing for [two-thirds of the remaining coal fleet](#) to close by 2035, with all due to retire by 2049. Australia needs new power generation to replace this old coal generation. The question is, what is the fastest, cheapest way to do so?

The [clear answer is renewables and storage](#). [Analysis by CSIRO shows that solar is](#) by far the lowest-cost technology, and battery costs are continuing to fall. Both can be rapidly deployed. Meanwhile, the costs of coal and gas generation projects have increased significantly, and waiting lists for new gas turbines have blown out into the 2030s. Large-scale nuclear costs three times as much as a wind project (per kilowatt-hour) while small-scale nuclear would cost nine times as much.

The alternative option – keeping existing coal power stations running – would be an extremely costly and at best, temporary solution. Over the next five years, the Queensland Government will spend at least [\\$1.6 billion to maintain](#) its existing coal generators. Eraring coal power station in NSW – which will now be kept open until 2029 despite significant outages in recent years – costs [up to \\$250 million](#) every year in maintenance. Despite investment of \$40 million to improve its reliability, Vales Point in NSW has had several recent unplanned outages, including [an outage on 10 February 2026](#) which triggered warnings from the market operator of supply constraints and price spikes.

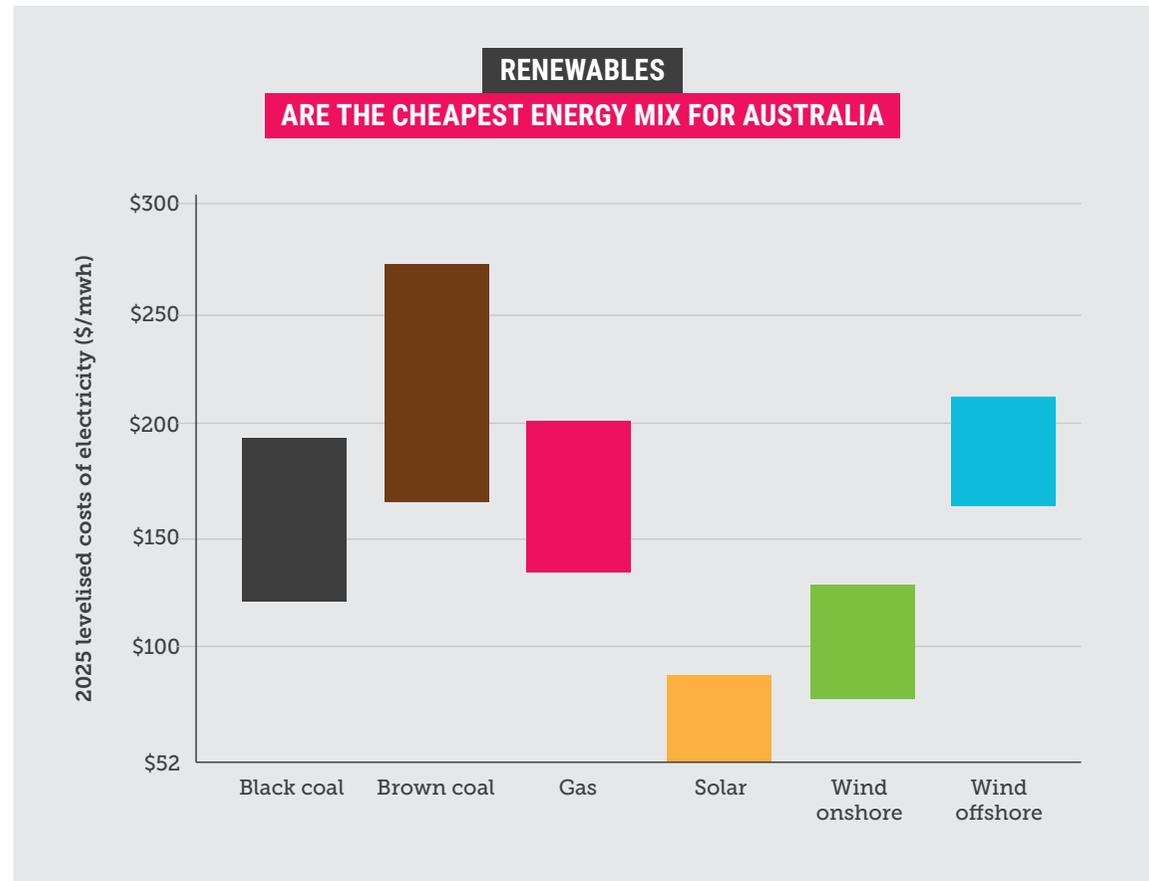


Figure 4: CSIRO has confirmed for eight years in a row that solar and onshore wind form the basis for Australia's least cost generation mix. Source: [CSIRO 2025: Draft 2025-26 GenCost Report](#).

## 1. WHOLESALE COSTS



### RENEWABLES ARE ALREADY THE ONLY THING PUSHING POWER BILLS DOWN

While power prices are high now thanks to coal and gas, they would be even higher without our 44% renewable grid. On average, wholesale power from renewables costs [half as much](#) as power from fossil fuels. This is because unlike fossil fuels, Australia's abundant wind and sun are widely available resources that never run out – and they're free.

In the last three months of 2025, renewables provided [more than half](#) of the power in our main grid for the first time. At one point, they were providing nearly 80% of our electricity. In these three months, coal-fired generation fell to an all-time low, and gas generation dropped to its lowest level in 25 years. Thanks to this renewable energy mix, [wholesale power prices were nearly cut in half](#).

Research has confirmed that without renewables, Australian household power bills could have been [up to \\$417 \(22%\) higher in 2024](#). In total, renewables saved households in Australia's main grid (which covers NSW, the ACT, Victoria, Queensland, South Australia and Tasmania) up to \$3.8 billion in 2024.

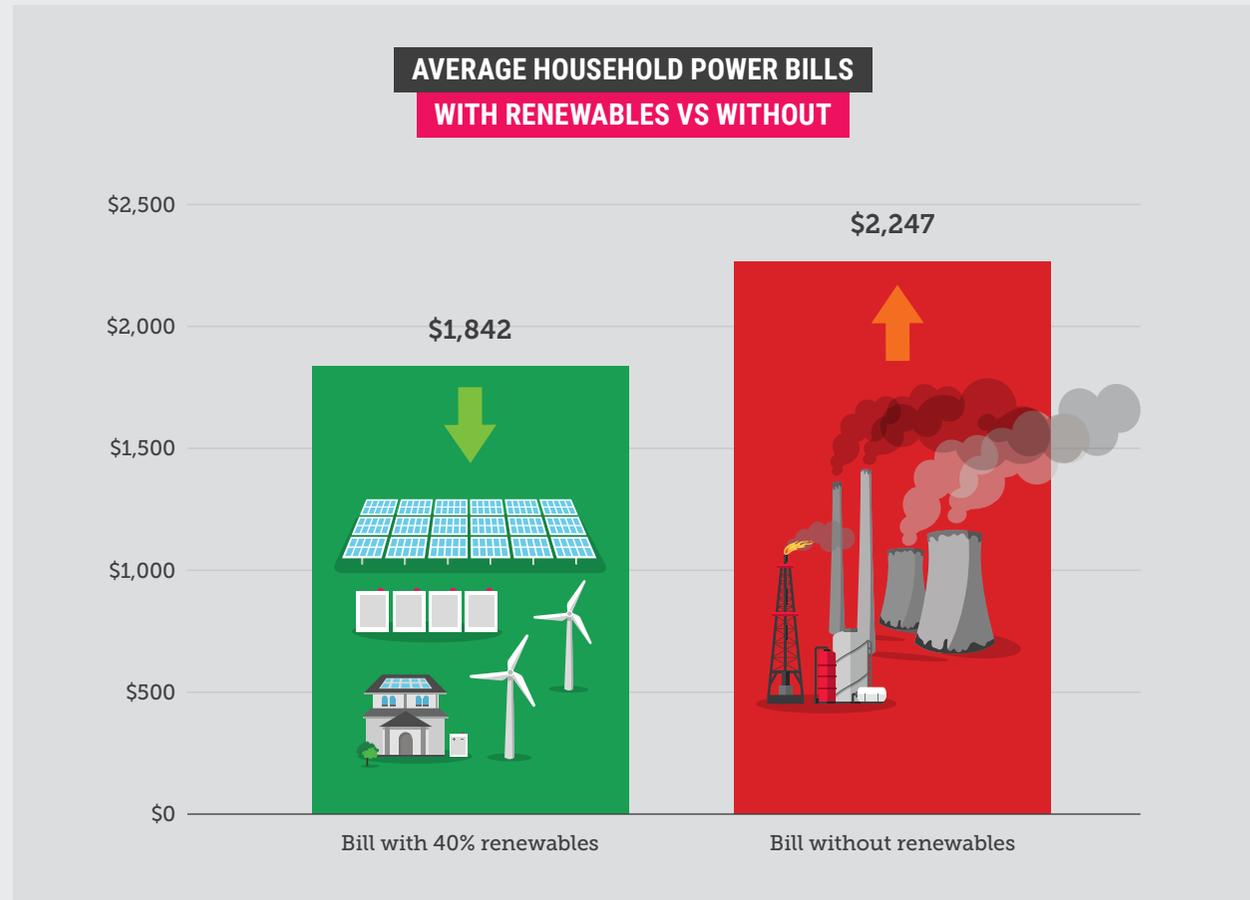


Figure 5: Average 2024 power bill for households in Australia's main grid, compared to a bill in a scenario without renewables (+22%). Source: [Clean Energy Investor Group 2025: The cost of no renewables](#); [ACCC Inquiry into the National Electricity Market report - December 2024](#).

## 1. WHOLESALE COSTS



### MORE RENEWABLES WILL KEEP BILLS IN CHECK OVER THE COMING YEARS

The [Australian Energy Market Commission \(AEMC\)](#) expects residential power prices to fall by 5% over the next five years, thanks to the building of renewables, storage and transmission. But we have no time to waste. Post-2030, the [AEMC warns](#) that gas is projected to cause price increases, unless more renewables are rapidly built to replace ageing and unreliable coal power stations as they retire.

If we delay our shift to renewables over the next five years, the average household [would pay \\$449 more for its power in 2030](#) than if we meet our renewable energy targets. A small business would pay an additional \$877 - all because of the continued reliance on coal and additional gas generation. If a significant coal outage occurs – which is not unlikely – bills would be pushed up even further: \$606 on average for households, and \$1,182 for businesses in 2030. That's bad news for bills across the country.

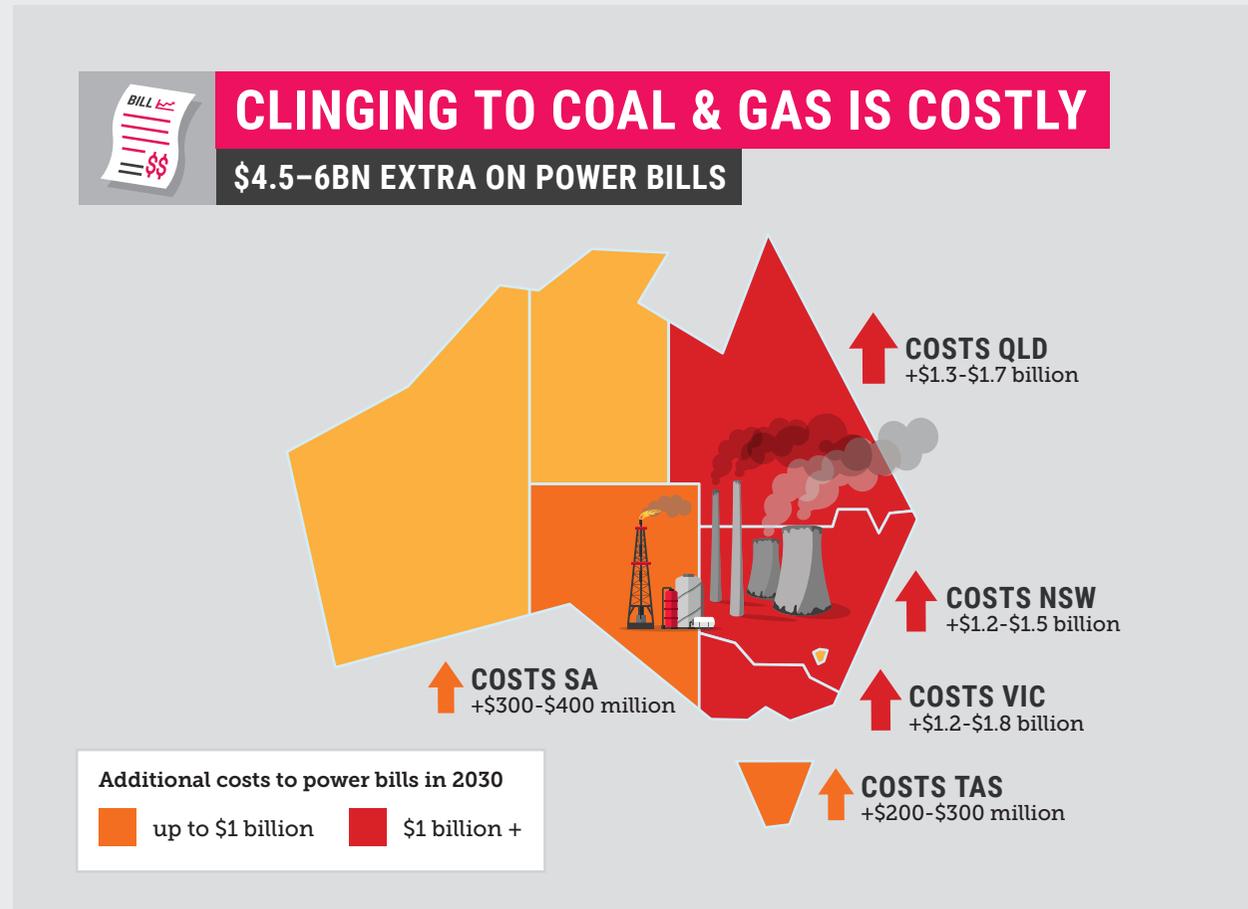
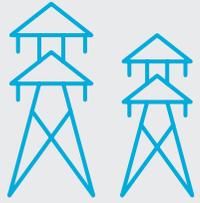


Figure 6: Additional collective costs for households in the NEM of a delayed renewable rollout in 2030. Source: Climate Council analysis of [Jacobs and Clean Energy Council 2025: The Impact of a Delayed Transition on Consumer Electricity Bills](#).



## 2. NETWORK COSTS

# We are still paying the price for decades-old decisions

Twenty years ago, Australians enjoyed some of the lowest power bills in the world. But this didn't last. From 2006, network operators spent billions of dollars on unnecessarily expensive upgrades to our networks, and we are still paying it off.

In the early 2000s, a series of power outages in NSW and Queensland, and warnings that our poles and wires wouldn't cope with rising energy demand, drove these state governments (who owned the majority of network infrastructure) to spend billions of dollars "[gold-plating](#)" [our distribution networks](#). Homes and businesses were left to foot the bill, with little evidence that this investment was necessary or would provide any benefit.

After nearly a decade, network operators eventually reigned in their spending. But it was too late. Between 2007 and 2017, despite demand on the grid dropping as more Australians installed rooftop solar, [network costs rose 40%](#) and power bills grew by 44%. We are still paying off this investment, and could be doing so for [up to 50 years](#). Meanwhile, network operators are making excessive profits well above the rate set by the Australian Energy Regulator. In 2023 alone, network operators made profits nearly five times the AER's set rate – an [extra \\$4.35 billion](#).

Today, higher inflation and interest rates have [continued to drive up network costs](#), while network operators continue to make more than their fair share of profit. There are opportunities for governments and regulators to strengthen rules and curb profits to put downward pressure on the network costs in our bills.

Between 2007 and 2017, despite demand on the grid dropping as more Australians installed rooftop solar, network costs rose 40% and power bills grew by 44%.

## 2. NETWORK COSTS

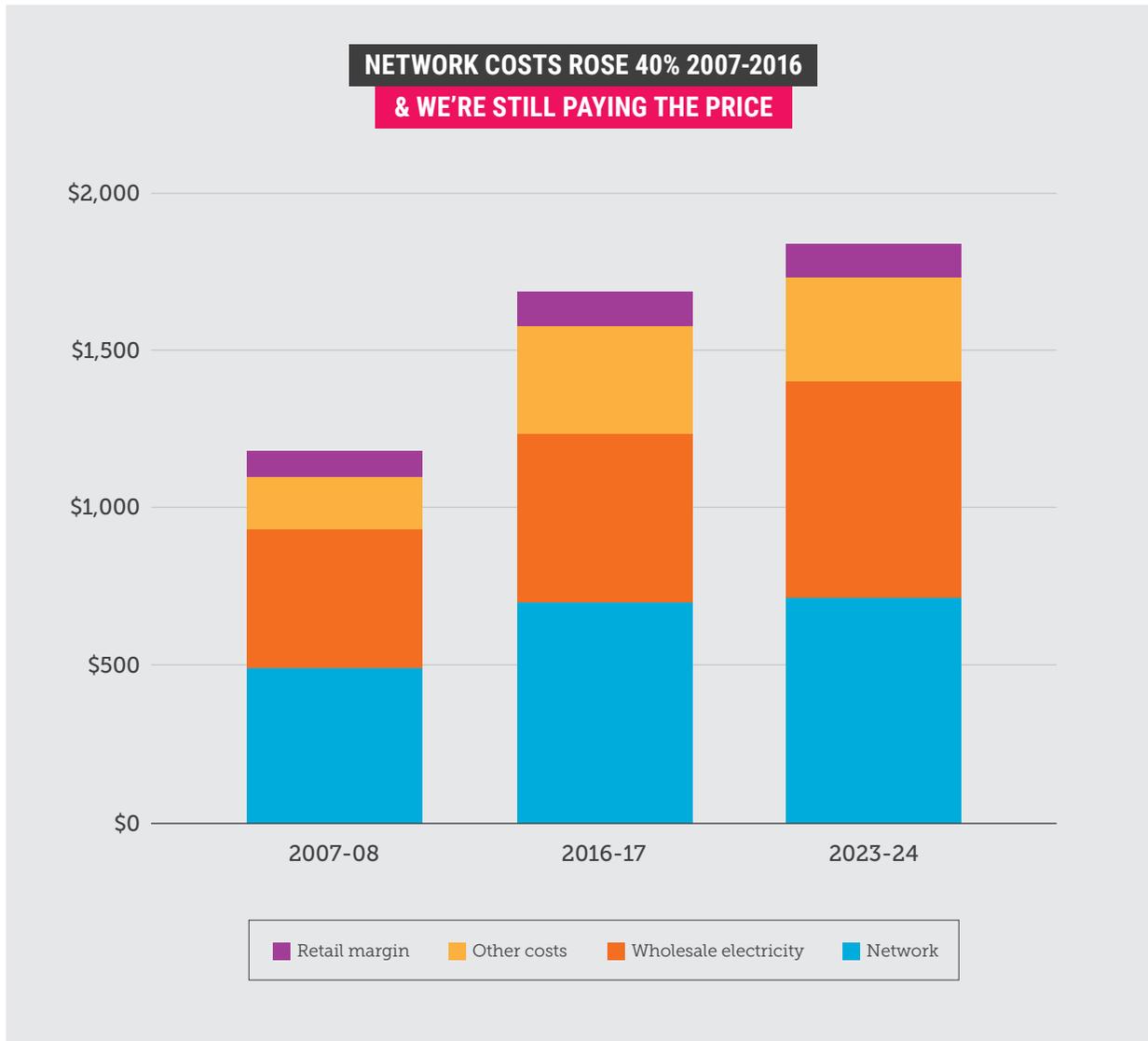
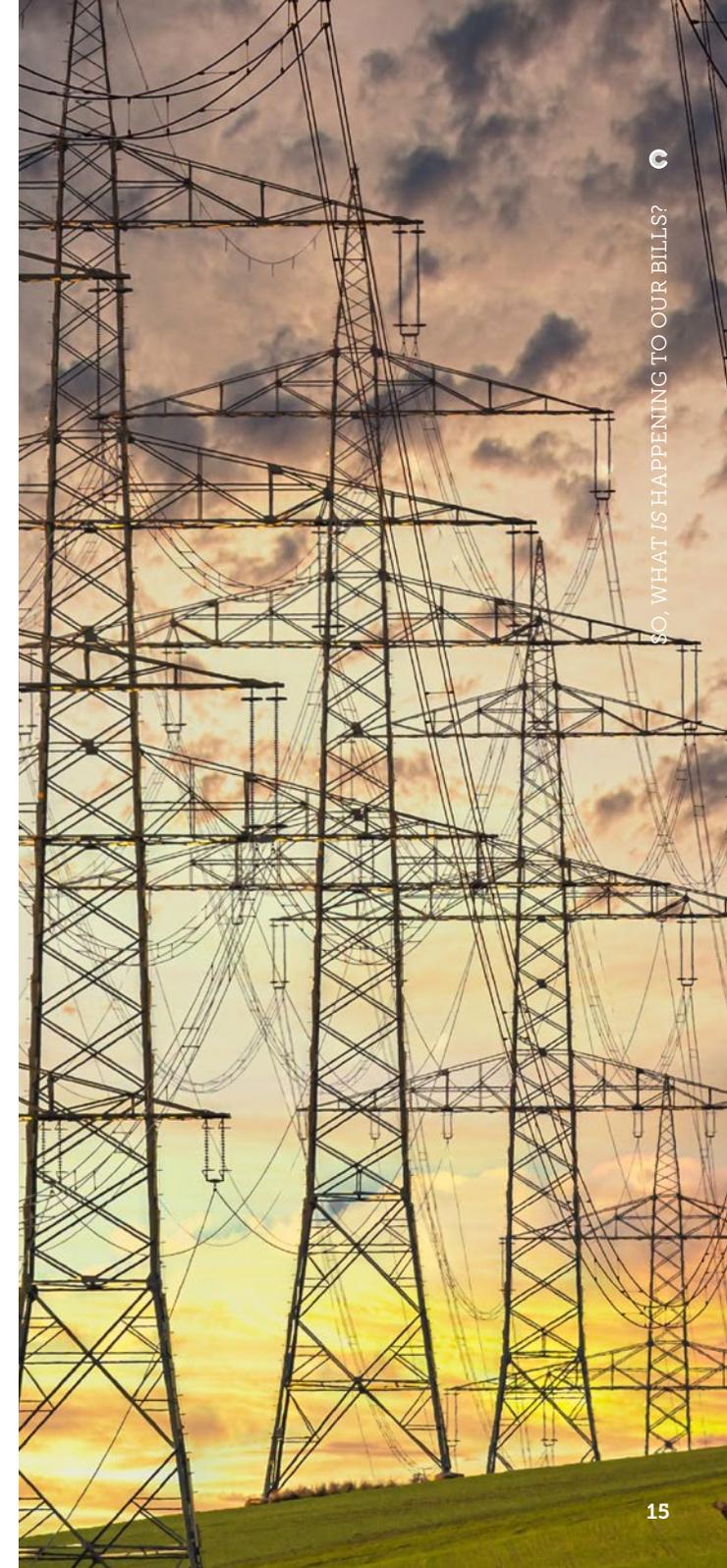


Figure 7: Average annual power bills in the NEM. Source: [ACCC 2017: Retail Electricity Pricing Inquiry](#); [ACCC 2024: Inquiry into the National Electricity Market](#).



SO, WHAT IS HAPPENING TO OUR BILLS?

## 2. NETWORK COSTS

### CONNECTING TO CLEAN ENERGY SAVES US MONEY

In the shift to renewables, we need new transmission to connect our new sources of clean power to where it needs to go. Unlike the historic investment in our distribution networks, the transmission projects underway or planned in Australia's main grid would deliver [net benefits to consumers of \\$24 billion by 2050](#) – compared to a scenario where we don't build new transmission – by connecting us to cheap, clean energy.

Transmission only makes up a very small proportion of our bills (6-8% on average). However, keeping network costs as low as possible – including the costs of new transmission – is critical to keeping power bills in check.



Image: Hazelwood battery, Victoria.



### BATTERIES CAN HELP KEEP NETWORK COSTS DOWN

Batteries can boost the capacity of our existing networks and reduce the need for new transmission. Charging batteries with cheap electricity during the day, when solar power generation is at its peak, can reduce issues with network congestion. This stored power can then be discharged when the sun goes down to help meet periods of peak demand. Using batteries as a substitute for additional transmission capacity is known as “virtual transmission”.

With battery prices falling (big battery costs dropped [20% in 2024-25 alone](#)), more batteries in strategic locations will help reduce the amount of transmission needed and keep network costs as low as possible. We are making rapid progress: since Australia's first big battery - the Hornsdale Battery in South Australia – came online in 2017, [more than 50 big batteries](#)

are now up and running in Australia, and hundreds of community-scale batteries are now online. In the second half of 2025, Australians installed nearly 185,000 home batteries, which also support the grid, especially when connected to a [virtual power plant \(VPP\)](#). In its latest roadmap for Australia's energy system, the [Australian Energy Market Operator](#) expects the surge of grid-scale batteries to reduce the amount of new transmission we need by 40%.

The [Waratah Super Battery](#), at the former Munmorah coal-fired power station on the Central Coast, is already connected to the grid and will be fully operational later this year. It's one of the most powerful batteries in the world, and will act as a “shock absorber” for the grid in the event of power surges, allowing poles and wires to be used more safely at their full potential.



### 3. RETAIL MARGINS

## Millions of Australians are paying too much for electricity

As the share of renewables in our grid goes up, [wholesale prices come down](#). However, these benefits can be slow to flow onto bills, if they do at all. There are a range of reasons for this, but one of them is simple: nearly 40% of households are paying too much for their electricity. Many energy retailers are overcharging and misleading us, while they make huge profits.

### NEARLY 40% OF AUSTRALIANS ARE PAYING A “LOYALTY TAX” ON THEIR POWER BILLS

Australia’s Competition and Consumer Commission (the ACCC)– has recently found that 37% of households (2.5 million) are [paying too much](#) for electricity. On average, households could have saved \$291 by switching to their retailer’s best offer in 2025.

Australian households who have been on the same electricity plan for several years are most at risk. Nearly a quarter of households in our main grid have been on the same plan for three or more years, and the majority of them are paying a “loyalty tax”: on average, [\\$221 more every year](#) than those on new plans.

### How much extra could you be paying?

State	Loyalty tax
New South Wales	\$303
Queensland	\$213
South Australia	\$408
Victoria	\$269
Average across the National Electricity Market	\$221

**Table 1:** Average extra costs for customers who have been on the same electricity plan for more than three years. Source: [ACCC Inquiry into the National Electricity Market report - December 2025](#); ACCC did not provide estimates for Tasmania and the ACT.

### 3. RETAIL MARGINS

Australians [can make big savings](#) by switching power plans to avoid this loyalty tax – either by moving to a cheaper plan offered by their existing retailer, or changing retailers altogether. However, this is not always as easy as it sounds. The onus is on consumers to navigate the jargon and find a fair deal. Most Australians who are struggling to afford their energy bills, or close to this point, say they simply “[wouldn’t know where to start](#)” when it comes to switching plans.

Some reforms aim to help level the playing field, and more are currently being considered. For example, you may have noticed information on your bills about whether there are any better offers available. But some retailers are not following these rules, and there is still more to be done. Many of Australia’s key regulators and consumer advocates (including the [Australian Energy Regulator](#), the [ACCC](#) and [Energy Consumers Australia](#)) have recommended establishing a “consumer duty” that requires providers to act in the interests of consumers and ensure good consumer outcomes.



### 3. RETAIL MARGINS

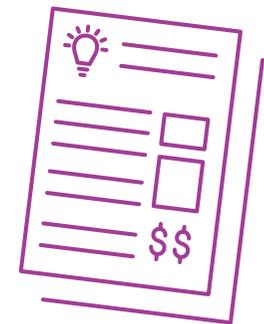
## AUSTRALIA'S BIGGEST ENERGY RETAILERS ARE ALSO OUR BIGGEST POLLUTERS

Australia's biggest energy retailers own some of our largest coal and gas generators, and are profiting off the harm they are causing to our communities, economy and environment. Our big three 'gentailers' are three out of Australia's top four polluters, and together they made more than \$2.2 billion in profits in their most recent annual results:

- › Origin – also a major gas exporter, and the owner of Eraring, Australia's largest coal station - made a profit of [\\$1.5 billion in 2024-25](#). At the same time, Origin has breached – or is alleged to have breached – consumer laws by regulators in the National Electricity Market, Victoria and Western Australia.
- › EnergyAustralia made a profit of [\\$115 million in 2024](#). Last year, the company [publicly apologised](#) for greenwashing in relation to its 'Go Neutral' energy offer, which was purchased by more than 400,000 customers on the promise of reduced climate pollution. In reality, the energy was still sourced mostly from fossil fuels.
- › AGL, [Australia's single biggest polluter](#) and our largest energy generator, [made an underlying net profit after tax of \\$640 million](#) in 2024-25. This is a drop of 21% on the previous year, due in part to the maintenance of their ageing and unreliable coal fleet. [Its most recent results for the second half of 2025 show its customer margins are growing](#).



Australia's big three electricity retailers earned enough last year to cancel the debt of all Aussies struggling to pay their electricity bills **7X** over.



### 3. RETAIL MARGINS

#### What have our energy retailers been up to?

In the past 12 months alone, at least 14 different retailers have been found to be breaching consumer protection laws, impacting at least one million people – including some of the most vulnerable Australians. In total, these breaches have cost Australians almost \$55 million:

- › In Victoria, seven retailers paid [\\$24.5 million in fines](#) in 2025 for breaching consumer protection laws, costing more than 840,000 Victorians close to \$10 million. The breaches included over-charging, giving incorrect information about the best offer available, failing to provide adequate support to customers facing financial difficulty, failing to protect the privacy of family violence survivors, and failing to give customers bill credits they were entitled to. This included a [\\$17.6 million fine](#) for Origin – the largest ever penalty for breaching Victoria’s energy rules.
- › An investigation by the [Western Australian regulator](#) found that seven energy retailers overcharged WA customers in the past two years. Synergy – the state’s government-owned energy generator and retailer – had overcharged customers more than \$40 million dollars since 2009. In total, these breaches cost more than 180,000 Western Australians at least \$43 million.
- › Two companies – [AGL](#) and [Alinta](#) – have been found to be overcharging Centrelink recipients. AGL is currently appealing its \$25 million fine – the largest ever penalty for breaching national energy rules – for breaching the law more than 16,000 times. [Origin](#) is now also facing court for similar alleged breaches. Some single customers were overcharged by up to \$11,000 over several years.
- › [Two companies](#) have breached their obligations to support customers experiencing financial hardship, and another two breached their obligations to customers on life-supporting equipment.
- › The ACCC has also launched an investigation into allegations that many energy retailers are [misleading consumers](#) in the way they describe and promote their energy plans. [CHOICE modelling](#) estimates that this could be costing Australians \$65 million a year.

In the past 12 months alone, at least 14 different retailers have been found to be breaching consumer protection laws, affecting at least one million people.

### 3. RETAIL MARGINS



#### RENEWABLES PUT THE POWER BACK IN OUR OWN HANDS

Australians love solar power and batteries – and it’s not hard to see why. Powering our homes and businesses with clean, affordable energy and reducing our reliance on energy retailers is a win for the climate, and a win for our wallets. As government electricity rebates come to an end, rooftop solar and batteries can protect us from rising bills and price shocks.

Already, more than four million Aussie households (or one in three) have taken control of their power bills by putting solar panels on their rooftops. There is now more electricity generation capacity on our rooftops than in all of Australia’s coal fleet. Each of these households are saving [around \\$1,500 per year on average](#).

Home batteries are also booming: In the last half of 2025, [nearly 185,000 households](#) installed a battery. A battery can boost the savings of a solar system up to 90% of a typical power bill, or around [\\$2,300](#), depending on your location and energy use. By 2030, Australians are projected to have installed [two million household batteries](#), which could collectively save more than \$4 billion on power bills every year. Solar and batteries are a sustainable, long-term solution to our power bill woes.

#### A home with solar and a battery can cut its electricity bills by up to 90%

State	Bill without rebate	Bill with rebate	Potential with solar and battery (90% reduction)
QLD*	2,548	1,248	255
NSW	2,464	2,164	246
ACT	2,130	1,830	213
SA	2,418	2,118	242
Tas*	2,774	2,224	277
Average	2,467	1,917	247

Table 2: Median power bills in 2024-25 for households in the NEM. \*The Queensland and Tasmanian governments provided additional rebates to reduce power bills in 2024-25, which are included in this analysis. Source: [Australian Energy Regulator 2025](#).

### 3. RETAIL MARGINS

#### Getting off gas can boost savings even more

On top of our electricity bills, many of us also pay for the gas we directly use in our stoves, hot water heaters and other appliances. Switching from gas to electric appliances, and improving energy efficiency could save households an extra [\\$500 and \\$1,900 every year](#). An all-electric household with solar and a battery could slash its total energy bills (electricity and gas) [by more than 90%](#).

#### Unlocking the benefits for more Australians

While costs of solar and batteries are falling, and government support is making the technologies accessible to more Australians, these game-changing upgrades are still out of reach to many. Renters, people in apartments, and low-income households face significant barriers. With [smart policies](#) and leadership, governments can ensure all Australians can access the benefits of electrification, solar and batteries.

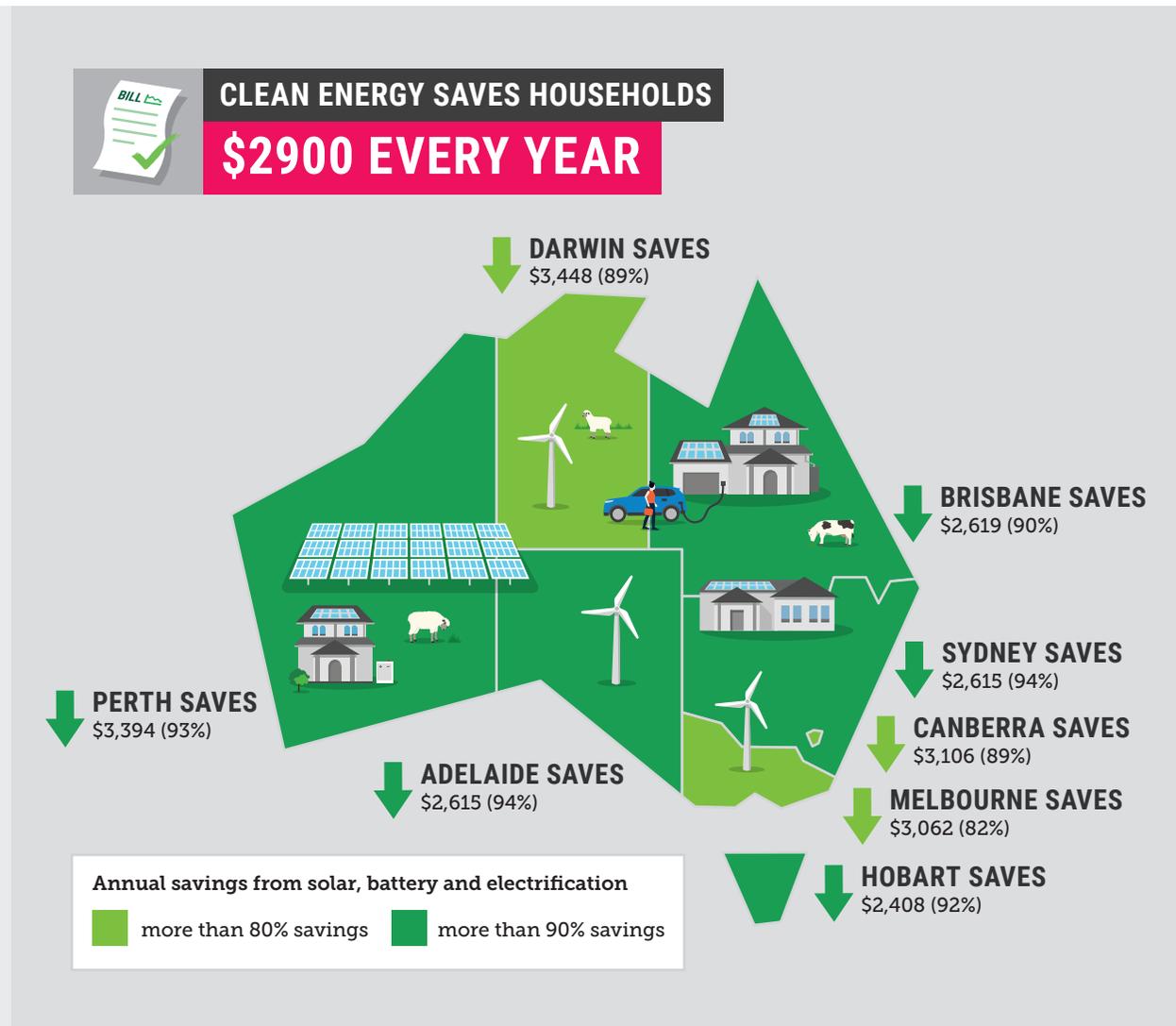


Figure 8: Solar, batteries and getting off gas can slash total energy bills by 90%. Source: [IEEFA 2025: A focus on homes, not power plants, could halve energy bills](#).

# Conclusion

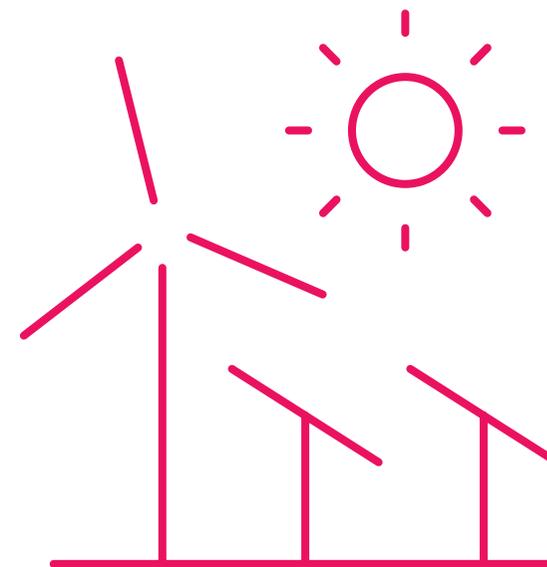
Australia's current high electricity costs weren't inevitable. Rising electricity prices today are the result of our continued reliance on ageing coal-fired power stations, expensive gas tied to volatile global markets, poor policy, and a retail framework that puts profits ahead of people – for an essential service.

Renewable energy is already delivering cheaper power, greater reliability and lower climate pollution. It now supplies more than 40% of electricity in Australia's main grid, and as this share grows, power bills are expected to fall. Investing in renewables, storage and the transmission needed to connect them can benefit all Australians – saving households and businesses while strengthening energy security.

Australians also need immediate relief. Rooftop solar, batteries and electrification can dramatically cut energy bills and shield households from future price shocks. But access to affordable energy must not depend on income or housing type. Governments need to step in, and ensure all Australians – including renters, people in apartments, and low-income households – can share in the benefits of clean energy.

The path forward is clear: Accelerating the rollout of renewable energy, storage and smarter networks – while reining in unfair pricing – is the most effective way to lower power bills, protect households and cut climate pollution at the same time. Delaying this would only lock in higher costs, risk black outs and put more pressure on households already doing it tough.

Clean energy is not just a climate solution. It is the key to a fairer, more affordable and more secure energy system for all Australians.



The Climate Council is a fearless champion of the climate solutions that Australia needs. People power got us started and we are proudly community-funded and independent.

The Climate Council acknowledges the Traditional Owners of the lands on which we live, meet and work. We wish to pay our respects to Elders, past and present, and recognise the continuous connection of Aboriginal and Torres Strait Islander peoples to land, sea and sky. We acknowledge the ongoing leadership of First Nations people here and worldwide in protecting Country, and securing a safe and liveable climate for us all.



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