Chris Steel MLA
Treasurer
Minister for Planning and Sustainable Development
Minister for Heritage
Minister for Transport

Member for Murrumbidgee

Response to question on notice

Questions on Notice Paper No 9
5 SEPTEMBER 2025
Question No. 561

Asked by: Ms Castley MLA

Addressed to: Minister for Climate Change, Environment, Energy and Water

Redirection: Treasurer

MS LEANNE CASTLEY MLA: To ask the Treasurer

1. Does the Minister believe that the current demand pricing structure employed by ActewAGL is fair, given that it has been reported that a household's monthly demand charge is based on the single highest 30-minute peak usage period during the 5–8 pm window, even if that usage only occurred once in the entire month, and that single instance is then used to calculate a daily demand charge for every day of the billing cycle.

2. Does the Government intend to engage with ActewAGL, the Independent Competition and Regulatory Commission (ICRC), or other stakeholders in order to review the model referred to in part (1).

3. Has the Minister been consulted by community groups or other fora about the issue referred to in part (1).

CHRIS STEEL MLA - The answer to the Member's question is as follows:

1. The demand pricing structure employed by ActewAGL in its market-based offers is also used by multiple retailers across different Australian jurisdictions, including Origin Energy, AGL, Energy Australia, Red Energy and Powershop.

   ACT households are able to choose from a range of market-based electricity offers from different retailers that may utilise different pricing structures including fixed, time-of-use and demand pricing. Demand pricing is a legitimate pricing structure that is most suitable for households who can avoid short, intense bursts of electricity usage and instead distribute their consumption more evenly throughout the day. The method of calculating peak usage is determined by each retailer.

   The ACT's regulatory framework for electricity pricing requires ActewAGL to offer a regulated standing offer tariff each year, which households will be placed on by default if they do not choose another electricity plan. In this way, the standing offer tariff provides a 'safety net' for households. Households can also choose to take up the standing offer tariff, or a market-based offer that suits their needs.

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The ACT’s regulatory framework also requires retailers to compare their offers against the ACT reference price, being an estimated annual cost for a household with typical electricity consumption on ActewAGL’s regulated standing offer tariff. In addition, the Australian Energy Regulator’s Better Bills Guideline requires retailers to advise customers where the retailer has a cheaper plan available to the customer, based on their usage. These initiatives assist households to choose the electricity plan which best suits their needs, and switch plans and retailers when they can get a better deal.

2. No. ActewAGL and other electricity retailers are able to present different electricity contract offers to customers that utilise different pricing structures. The ICRC does not regulate the market-based offers of retailers.

3. No.

Approved for circulation to the Member and incorporation into Hansard.

Chris Steel MLA
Treasurer

Date: 25/9/25

This response required 5 hrs 10mins to complete, at an approximate cost of $490.65.