



6 June 2025

The Productivity Commission

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National Competition Policy Analysis 2025

Alinta Energy welcomes the opportunity to provide feedback to the Productivity Commission on the *National Competition Policy Analysis 2025* study.

We are an active investor in energy markets across Australia, with an owned and contracted generation portfolio of more than 3,300 MW and more than one million electricity and gas customers.

Full retail contestability in electricity markets delivers long-term benefits to consumers. The landmark Hilmer microeconomic reforms recognised this, with an aim to promote efficiency and competition across industries, including energy markets, by deregulating and encouraging competition among providers. The federal and state governments supported energy market reforms through the Australian Energy Market Agreement, under which signatories reaffirmed their commitment to full retail contestability in accordance with the National Competition Policy Agreements'.¹ In this regard, it is concerning that Western Australia has not delivered on this commitment, which negatively impacts the economy and electricity consumers.

In Western Australia, the South West Interconnected System (or "SWIS") is the largest electricity network, supplying approximately 2.3 million customers across the Perth metropolitan area and extending 255,00 km to Kalbarri in the north, Albany in the south, and Kalgoorlie in the east. Under the *Electricity Corporations Act 2005*, the state government-owned entity Synergy holds the exclusive right to retail electricity to residential and small business customers in the SWIS who consume less than 50 MWh per year—the defined contestability threshold.

Previous independent analysis has identified significant enduring benefits from lowering the contestability threshold from 50 MWh to 20 MWh per year. The analysis concluded that reducing the threshold is a timely and cost-effective reform that could benefit electricity customers and the Western Australian economy.

Lowering the threshold would allow a substantial number of additional customers to access competitive retail offers. Increased competition is expected to place downward pressure on electricity prices and improve service quality for customers. More broadly, the reform would support business productivity, create employment and boost economic activity in the state.

We consider that lowering the contestability threshold from 50 MWh to 20 MWh can be achieved quickly due to the relatively low complexity of the reforms, and the necessary

¹ The Commonwealth of Australia et al (9 December 2013) Notice of Amendment to the Australian Energy Market Agreement, clause 14.10

changes to the regulatory framework would be minimal.

We agree with the Commonwealth Treasurer, The Hon Dr Jim Chalmers MP, that 'Increasing competition and dynamism is good for businesses, good for consumers and good for the economy...'.²

While retail contestability in electricity markets remains a state responsibility, we believe the Commission is well-placed to examine, as part of this study and as an initial step towards full retail contestability, the benefits of lowering the electricity contestability threshold in the SWIS. Reducing the threshold is administratively straightforward and would provide substantial benefits to electricity consumers in Western Australia, along with positive national implications.

The National Productivity Fund, announced on 29 November 2024, could support the implementation of these reforms alongside the refreshed National Competition Policy principles agreed by Commonwealth, state, and territory leaders.³

Thank you for considering our submission. If you want to discuss this further, please contact Karan Sharma.

Yours sincerely

Graeme Hamilton
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² The Hon Dr Jim Chalmers MP (15 March 2024) [Treasurers work together to boost competition | Treasury Ministers](#) (media release), accessed 10 May 2024

³ The Hon Dr Jim Chalmers MP (29 November 2024) [National agreement to revitalise competition – for consumers, businesses and our economy](#) (media release), accessed on 3 June 2025.