



Media Release

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Energy Consumers Australia responds to draft Rate of Return Instrument

Energy Consumers Australia (ECA) welcomes today's [release](#) of the draft Rate of Return Instrument (RORI) by the Australian Energy Regulator (AER) as a critical step toward ensuring consumers no longer foot the bill for hundreds of millions of dollars in excessive network costs. The RORI is essentially the 'interest rate' consumers pay networks for their investment in infrastructure such as poles, wires and substations.

"We welcome today's decision as a vital first step toward balancing the scales for consumers, which according to the AER would reduce network revenue and the resulting customer costs by more than \$940 million over the coming years," ECA Chief Executive Officer Dr Brendan French said. "Network costs are often the largest and fastest-growing component of consumer energy bills. Australians should not pay a cent more for their electricity than they have to, but for too long they have been picking up the tab of high network costs.

"We are very pleased that the evidence ECA provided has been used extensively by the AER in reaching their decision. It's clear the AER has carefully and rigorously examined the input from all stakeholders, reviewed domestic and international data, and then reached a decision that – once finalised – will deliver a fairer, more equitable outcome for consumers.

"While we welcome today's decision by the AER, we also believe the final determination should go further, particularly in considering how inflation is treated, given its impact on returns over the last few years.

"Our independent [research](#) estimates that annual network revenue would have been lower by hundreds of millions of dollars if alternative settings had been implemented for the last round of resets.

"Australian households and small businesses are already bearing the brunt of high power prices. Our nationwide surveys and research shows 1 in 5 households are experiencing, or are vulnerable to, energy hardship. Reforming the RORI is vital to minimising unnecessary energy costs paid by consumers.

"We commend the AER for recognising the need for reform and for their independent and expert efforts to restore balance between networks and consumers."

About Energy Consumers Australia

[Energy Consumers Australia](#) is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.