

Media Release

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Grattan Institute report a timely reminder of need to focus on network costs to bring electricity prices down

Today's Grattan Institute report – *Down to the wire: A sustainable electricity network for Australia* – again highlights the need to tackle network costs to deliver affordability now and over the longer-term.

Energy Consumers Australia CEO Rosemary Sinclair said the Australian Competition and Consumer Commission identified in its Preliminary Report into Electricity Supply and Prices in September 2017, that a lack of focus on energy affordability up and down the supply chain had caused prices to more than double, with network costs being a significant contributor.

“The Grattan Institute identifies a risk that legacy decisions and high network costs could undermine affordability for years to come, without action to cut costs and empower consumers.”

The Grattan Institute's report outlines a range of possible solutions that can now inform the ACCC's Review, which is expected to deliver its final recommendations to the Federal Government in June 2018.

Ms Sinclair said Energy Consumers Australia is engaged with the sector in a range of processes and initiatives to bring costs down, including through work to reform the way network revenues are set.

“We are working through the detail of the Grattan Institute's Report and looking forward to further analysis from the ACCC, drawing on additional data that will be provided to them by the businesses.

“As the Chair of the ACCC, Rod Sims, has highlighted, and the Grattan Institute has reiterated today, we need to address the issue of past over-investment in network capacity to bring prices down and keep them down over the longer-term.

“Consumers are telling us they want affordability to be a constraint on the decisions we make about investment in the network – not one more dollar should be invested in the network than necessary, and not one day earlier than necessary.”

“These issues need to be addressed to clear the way for networks to play a role as a platform for individualised energy services, delivering affordability and optimising the investments consumers are making in solar, storage and energy management technology.”

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