

29 November 2019

NETWORK PRODUCTIVITY GROWTH IS GOOD NEWS FOR CUSTOMERS

The productivity of electricity network businesses continues to increase and outpace the rest of the wider economy according to a new report released today by the Australian Energy Regulator (AER).

Energy Networks Australia CEO, Andrew Dillon, welcomed the release of the *AER Annual Benchmarking Report* and said these improvements were part of networks putting customers first.

“Running an efficient and reliable grid is the core focus of Australia’s energy networks,” Mr Dillon said.

“By increasing efficiencies in operations, networks have kept costs down and increased their productivity.”

The report highlights that productivity of the electricity distribution networks has increased for the third consecutive year, rising by 1 per cent in 2018.

Transmission industry productivity is up 2.2 per cent in 2018, the second consecutive year of growth.

In both areas, the key driver was reduced operating expenditure to maintain and operate networks.

Mr Dillon said this continued growth in productivity shows incentive-based regulation is working in the best interests of customers.

“As the sector faces growing challenges in areas such as renewables integration, insurance, safety and cybersecurity, it’s essential we have a stable framework of incentive-based regulation,” Mr Dillon said.

“Incentive-based regulation has delivered real benefits for customers.”

The [*Rewarding Performance: How Customers Benefit from Incentive-based Regulation report*](#), released by Energy Networks Australia [earlier this year](#), showed that under incentive-based regulation a customer with gas and electricity is better off by more than \$650, while an electricity only customer will benefit by more than \$500.

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Energy Networks Australia is the national industry body representing Australia’s electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.