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## **NETWORKS DELIVERING PRODUCTIVITY IMPROVEMENTS FOR CUSTOMERS**

Australia's electricity network businesses have achieved significant productivity improvements in 2016-17, ensuring that consumers pay no more than necessary on their power bills.

Reports released by the Australian Energy Regulator (AER) yesterday show that productivity among electricity distributors has increased by 2.7 per cent, while productivity in transmission businesses rose a record-setting 5.8 per cent.

Energy Networks Australia CEO Andrew Dillon said distribution businesses had improved performance for the second year in a row, outstripping the productivity increases of the entire Australian economy and the utilities sector.

"Even better, transmission businesses have had the single biggest productivity increase in the measure's recorded history," he said.

"These results, plus the fact that network prices have been falling in every State across the national electricity market for the past three years - up to 20 per cent in some cases - are great news for customers."

Productivity is measured as the level of output a network business provides relative to the amount of inputs it uses.

"An increase in productivity means a business can produce the same or improved service to customers at a lower cost," Mr Dillon said.

"The main driver of the productivity gains is networks finding ways to reduce their costs while still managing to enhance reliability for customers."

Mr Dillon said the AER investigation into productivity showed incentive regulation was working as networks were delivering real value to customers under the current regulatory framework.

"When networks save money by improving productivity, customers get a bigger slice of the savings than the businesses do," he said.

"Seventy per cent of any operating cost saving is given back to customers over time, so a more productive business means lower bills for customers."

**ENDS**

Media Contact: Sharon Kalina, 0416 317 183.

*Energy Networks Australia represents Australia's electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.*