

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 95

Topic: Electricity Network Regulation

Written: Received from Committee – 26 October 2012

Senator JOYCE asked:

Regarding the Productivity Commission's inquiry into "Electricity Network Regulation" being conducted since January 2012:

95. A draft report is due out this month (October) before public hearings in November and December. The Final Report to Government is due in April 2013. Does it appear that the inquiry's submissions, consultations and considerations to date add support to the views on the electricity market expressed by the Resources Minister in late September?

Answer:

95. The Commission's draft report assessment of the sources of network price increases are discussed in the answer to question 93. Submissions to the Commission's inquiry expressed a diverse range of views on the source of network price rises. In general, user groups and the Australian Energy Regulator suggested that there had been over-investment in network infrastructure, while network businesses argued that there were legitimate reasons for increased investment in the last few years. Submissions to the inquiry are on the Commission's website.