

Senate Select Committee Inquiry on Energy Planning and Regulation in Australia: ENA Question on Notice

Background

ENA's submission observed that:

The AER's recent Network Performance Report found that in 2023, after adjusting for inflation, electricity consumers on average paid the lowest cost for electricity network services since the beginning of their dataset. The report also found that gas network costs were the lowest costs since the series began in 2011, both in real and nominal terms. Measured outages in both electricity and gas have been less frequent, and reliability performance is at a near all-time high.

Question on notice from Senator the Hon Matthew Canavan (30/10/2024):

1. **For gas and electricity networks, over what time period are the above statements relevant to?**
2. **What were the numbers at its previous peak and low?**

Gas networks

ENA's submission statements were based on the findings of the AER's Network Performance Report 2024. This indicates that for gas networks the relevant time period for the statement is 2011-2023, stating that:

Further, gas distribution network consumers on average paid the lowest costs for gas distribution network services since the series began in 2011, both in real and nominal terms (p.4).

The data underlying this statement is further outlined in Section 4.2 of the 2024 Network Performance Report (see p.52-53, Figure 4.1 and Figure 4.2). It indicates in real \$2023 distribution revenue per customer fell from its highest point of just under \$500 in 2015 to under \$330 in 2023. The previous low was in 2022, at approximately \$350.

Electricity networks

For electricity networks, the source of the data is also the 2024 AER Network Performance Report, which states:

In 2023, after adjusting for inflation (in real terms), electricity consumers on average paid the lowest cost for electricity network services since the beginning of our dataset. (p.4)

The time period for this observation is longer than the gas network estimate, resulting from a longer regulatory data series, from 2006-2023. The AER report observes:

In 2023 revenue per customer was the lowest it has been since before 2006 for both DNSPs and TNSPs. (p.17).

The data underlying these statements are discussed in Section 3.1 of the Network Performance Report, and summarised in Figure 3-1. This indicates, for example, that electricity distribution revenue per customer was above \$1400 in 2015, falling to just over \$900 in 2023. Prior to falling to that level, the previous low was 2022.

Further information on AER data

In both cases, as noted the ENA submission observations were based on the findings of the AER Network Performance Report which was based on regulatory data collection processes administered by the AER. Further enquires on the data and statements made in the report are likely to be able to be best met by the AER.