

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 184
Hearing: Budget Estimates
Outcome: Outcome 4
Program: Energy Division (ED)
Topic: Energy prices
Hansard Page: 114
Question Date: 23 May 2017
Question Type: Spoken

Senator Roberts asked:

Senator ROBERTS: What proportion of high and rising energy prices is due to poor price regulation?

Mr Heferen: Zero, I suspect.

Senator ROBERTS: What proportion of high and rising energy prices is due to market protection policies?

Mr Heferen: I might get in trouble answering that one.

CHAIR: Would you like to take that on notice?

Mr Heferen: Yes, we will take that on notice.

Answer:

In the National Electricity Market (NEM), electricity prices are made up of wholesale, network and retail components. Wholesale prices are determined in the competitive wholesale markets. Network prices are subject to economic regulation by the Australian Energy Regulator (AER). Retail prices are deregulated except in Northern Queensland, the ACT and Tasmania.

On 27 March 2017, the Government instructed the Australian Competition and Consumer Commission (ACCC) to review electricity retail prices. The review will examine, among other things, the key cost drivers of electricity retail prices, whether there is any behaviour preventing or limiting competition or consumer choice, and electricity retailer profits.