

Observations

- We can be comfortable that there is a tension here.
- Retailers are acutely aware of cost of living pressures on consumers.
- As competitive markets have developed the conflation of issues outside of the retailer's control has become a problem.
- Reasonable conclusions have been reached and the AEC do not see any being proven as unreasonable in this post draft period.
- Retailers are comforted that the AER draft continues a consistent and coherent approach to the rate of return framework by the AER.
- We are concerned that the AER has left open an alternative approach to consider an option that combines estimates of historical excess returns with DGM estimates of the MRP.