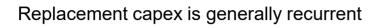
Draft Better Reset Handbook – AER expectations

Capital expenditure



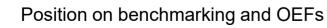
Networks and customers to partner in the development of capital expenditure proposals





Operating expenditure

Efficiency scores of 0.75, productivity of 0.5% p.a, and limited step changes



Tariff Structure Statements



- Progress to cost reflective tariffs
- Model customer impacts and engage with consumers on managing adverse impacts.



Observations

• Climate change and the energy market's transition means that deterministic use of historical capex to inform future needs may have unintended consequences.



- Helpful that AER has signalled 0.75 remains its position for next round of reviews
- AER's position on some OEFs like vegetation management remains unclear.



• Proposed approach is consistent with existing practice and is supported.

The Draft Handbook is a welcome development that clarifies and re-affirms the central role of consumers in the development of regulatory proposals.

