

[REDACTED]

From: Nev and Lyn Grant [REDACTED]
Sent: Friday, 2 June 2017 3:59 PM
To: Retail Electricity Inquiry
Cc: [REDACTED]
Subject: TRIM: Lack of Productivity Drivers in the maintenance of the Victorian Distribution System

[REDACTED]

Dear Sir/Madam,

I write this letter to ensure the ACCC include in its Inquiry into the retail electricity industry the lack of productivity drivers in the maintenance of the Victorian Distribution System, that through my experience is identifiable as a major contributor to the escalation in electricity prices.

I am now retired after 40 years of experience in the Victorian Electricity Distribution Business with positions as [REDACTED]

The last 10 of these 40 years I conducted Transmission and Distribution Bushfire Mitigation Audits [REDACTED]

During the past 10 years I have noted and can provide numerous examples of:

- reduction in productivity associated with maintenance activities on the distribution system,
- poor work practices – planning,
- lack of direct supervision and quality control.

I believe the deterioration of standards and productivity improvements is associated with the pricing structure, namely where costs associated with maintenance activities are passed directly on through the tariff structure with very little scrutiny or accountability.

I believe unit costing for this work should be introduced and monitored by an independent body and the costs regulated to prevent the over resourcing of work that can be directly passed on through the tariff structure.

There needs to be measures in place and monitored to improve work practices that will eliminate inefficiencies in the system driving productivity that will lead to cheaper tariff structures and the cost of electricity.

Further, if retail electricity companies can offer a 40% discount to customer electricity accounts further indicates that either the unit price per kilowatt hour is excessive, or that profit margins are excessive.

Such advertising leads to unsuspecting customers switching retail companies only to find their electricity bill is more expensive. In most instances the higher the discount the higher the unit cost per kilowatt hour and there remains confusion whether or not the unit costs include GST.

Further, many consumers are being misled by retail companies offering large percentage discounts to customers with little or no knowledge of the costs per kilowatt hour. I believe such advertising is deceptive by omission. Compulsory provision of the costs per kilowatt hour inclusive of GST in discounts offered by retail electricity companies would reduce such manipulation.

I am happy to provide further information in relation to my claim.

Yours Sincerely

