



**Treasurer  
Minister for Industrial Relations**

18 October 2017

Dear Reverend Nile,

Please see attached further answers to the following:

- Question on notice on page 22 of the transcript: costs relating to the challenge to the Australian Energy Regulator determination
- Question on notice on pages 22-23 of the transcript: total transaction costs for the electricity network transactions.

Kind Regards,

**Dominic Perrottet MP  
Treasurer  
Minister for Industrial Relations**

18/10/17

## 2017 Budget Estimates Question on Notice

### Pages 22-23 of Transcript

### Network Transaction costs

#### Question

**The Hon. ADAM SEARLE:** I am happy for you to take this on notice as well, but can you also inform the Committee of the total transaction costs for the sale—or, as you would put it, the long-term lease—of Transgrid, Ausgrid and Endeavour—in other words, the total transaction costs?

**Mr DOMINIC PERROTTET:** Yes. I can give them to you now.

**The Hon. ADAM SEARLE:** Can you also break that down to strategic and financial advice, legal advice, public relations [PR], advertising, probity services—all the constituent parts that make up the total figure?

**Mr DOMINIC PERROTTET:** I might pass to the Secretary because I think he would have the breakdown of costs.

**The Hon. ADAM SEARLE:** Again, if you do not have them to hand, I am happy to take that on notice.

#### Answer

The Electricity Networks Transaction Project commenced in July 2014 to implement the Government's plan to lease 49 per cent of the State's electricity network assets.

Network transaction costs are set out in the independently audited Crown Entity Financial Statements for 2014-15 and 2015-16. These reports are available here:

[https://www.treasury.nsw.gov.au/sites/default/files/pdf/2014-2015 Crown Entity Financial Statements incl Restart NSW Fund Financial Report.pdf](https://www.treasury.nsw.gov.au/sites/default/files/pdf/2014-2015%20Crown%20Entity%20Financial%20Statements%20incl%20Restart%20NSW%20Fund%20Financial%20Report.pdf)

<https://www.treasury.nsw.gov.au/sites/default/files/2017-04/2015-16%20Crown%20Entity%20Financial%20Statements%20incorporating%20RestartNSW.pdf>

Finalisation of the transaction arrangements is scheduled for 31 December 2017, with outstanding costs reportable in the 2017-18 Crown Entity Financial Statements.

## Page 22 of Transcript

### Costs for the Challenge to the Australian Energy Regulator (AER) Determination

#### Question

**The Hon. ADAM SEARLE:** Over the last couple of years I have asked questions of the Treasurer about the cost of the challenge to the Australian Energy Regulator [AER] determination, led by Ausgrid, Endeavour and Essential Energy. As at last year it was \$2.3 million. Now that those proceedings are finalised, could you provide the total cost of the challenge to the AER determination?

**Mr DOMINIC PERROTTET:** Are you happy if I take that on notice?

**The Hon. ADAM SEARLE:** I am happy for you to take that on notice. When you provide a global figure, can you also break that down to barrister or legal firms, consultancies—all the constituent amounts that you have?

**Mr DOMINIC PERROTTET:** In relation to the AER?

**The Hon. ADAM SEARLE:** The AER challenge.

**Mr DOMINIC PERROTTET:** Yes.

#### Answer

In 2009, the appeal by Transgrid, Endeavour, Ausgrid and Essential cost \$5m and resulted in energy network prices increases of about 120% over the regulatory period.

In 2015, the appeal by Endeavour, Ausgrid and Essential cost around \$6.4m in legal fees and around \$0.8m in economic consultant fees. Energy network prices fell by around 5% over the regulatory period.

Decisions to appeal are made by the Boards of the individual businesses.