

What makes up your electricity bill?

The cost of your bill is more than just the price of your electricity. Prices are determined by many factors.

For the average Australian consumer the final electricity price is in broad terms made up of:

Electricity production costs - 40% (Wholesale cost)

Your power company buys electricity from electricity generators in advance to make sure it's there when you need it.

Delivering the electricity to your home - 40% (Network cost)

This is the cost of getting the electricity to your home through Australia's network of cables and wires. For every unit of electricity you use, your energy company pays a fee to the owner of the pipes or wires that connect to your home.

Looking after your electricity account - 10% (Retail cost)

These are the normal costs associated with taking care of your account. They include things like the cost of reading your meter, printing and posting bills and maintaining call centres to answer your queries.

Key points:

- Many factors determine energy prices.
- Retail costs make up a fraction of your bill.

Government obligations - 10%

The cost of meeting State and Federal Government obligations, such as GST, are included in your bill.

How the industry works:

