AusNet

How network charges affect your electricity bill

How network charges affect your electricity bill

Electricity bills are made up of many charges, including retail, wholesale and network costs. The network charges in your electricity bill include:

- Building, operating and maintaining the distribution network, which feeds electricity to over 800,000 customers.
- The cost of providing smart meter services.

The amount we can charge for supplying electricity to our customers is reviewed and approved by an independent body, the Australian Energy Regulator (AER).

How network charges are set

Every five years, we submit a proposal to the AER. Our proposal includes funding for network improvements so we can operate a safe, reliable and efficient network.

The AER reviews our proposal and determines our network charges over the five-year period. This makes up a portion of your electricity bill you get from your electricity retailer.

Delivering stable bills

We understand that no one wants to pay more than they have to for network services. That's why our planning for the 2026–2031 period is focused on finding the right balance; enhancing service levels to ensure electricity is delivered safely and reliably, while carefully managing costs to deliver value-for-money and affordable services to our customers. It reflects extensive customer and stakeholder feedback, which has been vital in shaping our future plans.

To achieve this, we're proposing investments that strengthen our network and help support the energy transition, without increasing financial pressure on our customers. For residential customers, network charges – including metering – will remain flat in real terms throughout the 2026-2031 period, meaning they won't rise faster than inflation.

The AER's Final Decision on our proposed plans is expected in April 2026.

Network charges and electricity tariffs explained

What are network charges?

This is a fee for using the electricity network to deliver electricity to homes and businesses.

These charges:

- help cover the cost of maintaining, operating and upgrading the network
- are set by the network distribution business (like AusNet)
- are a component of your electricity bill.

What is a demand tariff?

Along with a usage charge, there is an additional charge based on the highest amount of electricity you use at any given point in time during each month. A demand tariff encourages customers to spread out their power usage to help reduce demand on the grid, while potentially lowering energy costs.

What is a solar feed-in tariff?

If you have solar, feed-in tariffs may appear on your electricity bill. This is a payment you receive for generating electricity from your solar panels and feeding it back into the grid, this is also called a solar export.

What are electricity tariffs?

An electricity tariff is the energy plan offered by your electricity retailer. It is made of up different charges including:

- **A supply charge** – this is a daily fee to stay connected to the network and to deliver electricity to you.
- **Usage charges** – this is how much you are charged for the electricity you use at your property.
- **Electricity tariffs can vary**. The way a tariff is charged and calculated is based on:
- **Single (flat rate)** tariff – you are charged the same rate for electricity usage, regardless of when you use it
- **Time-of-Use** (TOU) tariff – electricity rates are higher during 'peak' periods or lower during 'off-peak' periods, depending on the time of day or the month. Below is an example of how a TOU tariff may work:

  Peak
  3:00 PM to 9:00 PM, Monday to Sunday.

  Off-peak
  All other times.

These periods are designed to encourage electricity use during off-peak times, when the demand on the electricity network is lower. This can help to reduce strain on the network and minimise costs to customers.

Need to get in touch?

General enquiries
1300 360 795

Faults and emergencies
13 17 99 (24 hours a day, 7 days a week)

ausnet.com.au

We speak your language. If you need an interpreter, please call **13 14 50.**

Provide our phone number when choosing your preferred relay service access option.

About AusNet

AusNet is Victoria's largest diversified energy network business.

We connect communities with reliable, affordable and sustainable energy.

We operate three core regulated networks - electricity distribution, gas distribution and the statewide electricity transmission network.