

Annual Electricity Transmission and Distribution Market Study 2010

Marchment Hill's "Annual Electricity Transmission and Distribution Market Study" for 2010 has now been released.

Electricity transmission and distribution businesses in Australia spend in excess of \$10 billion annually on asset services. From EHV transmission lines and terminal stations to domestic connections and metering, the industry sources a wide range of services from the external market.

The needs of those businesses, and the approaches they take to meeting them, vary greatly across the industry and as such, it can be difficult for prospective service providers to know where to focus their marketing effort and what propositions to present. Although the opportunities are large, the competitive playing field is crowded, with a diverse range of players from major national and international companies to small-scale local operations engaged on contracts ranging from weeks to years in duration.

A key problem for current and prospective service providers to the industry is to understand the nature of the demand – what work is required, when and by whom, and *how much of the pie is there to be won*.

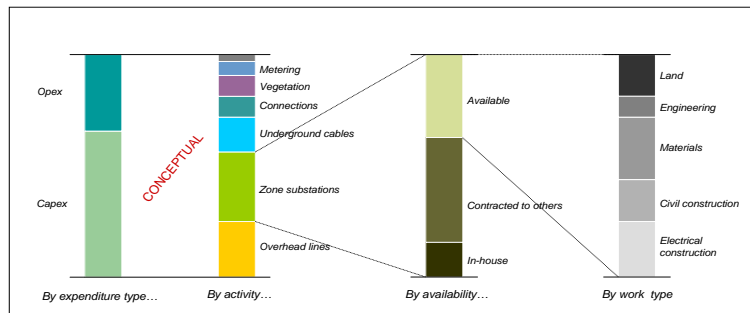


Figure 1: Marchment Hill's analysis highlights market opportunities at a practical and usable level of detail.

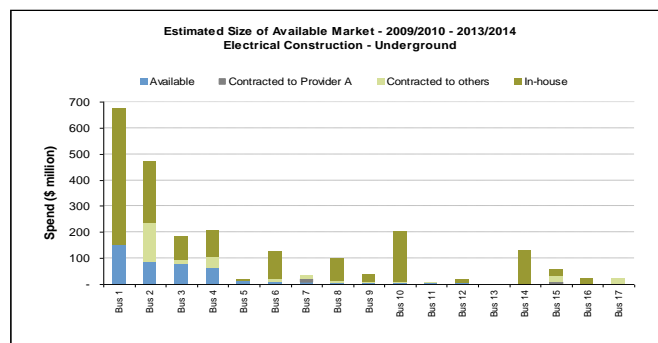


Figure 2: Example of how estimated available market for underground electrical construction is presented.

Marchment Hill's "Annual Electricity Transmission and Distribution Market Study" provides a quantitative and qualitative overview of the opportunities available to service providers in the transmission and distribution sectors. It covers all Australian transmission and distribution businesses in all states and territories. A key value-add is the inclusion of commentary on industry trends and their drivers, derived from the collective experience of Marchment Hill's consulting practitioners.

Utilising a range of data sources along with Marchment Hill's proprietary cost modelling methodology, the study presents a comprehensive view of the market, including:

- Expenditure forecasts by entity, state and in aggregate – provide an overall picture of the level of activity, which is a key driver of supply-demand balance and hence margins
- Breakdown of expenditure by cost type (engineering, electrical construction, civil construction, materials, etc) and asset type (substations, distribution overhead lines, etc) – provide insight into the quantum of opportunity for particular services
- Estimates of the share of the market potentially available to a new entrant – illuminates the real opportunity, net of long-term commitments to existing suppliers and internal workforces
- Sourcing strategies (open tender, panels, relationship contracts, sole-provider term contracts, etc) used for various services
- Key drivers of investment over the next five years
- Major industry issues and opportunities.

To purchase Marchment Hill's "Annual Electricity Transmission and Distribution Market Study 2010", please complete the form overleaf.

