OUR PLAN

FOR AFFORDABLE AND RELIABLE ENERGY
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KEY POINTS

The Liberal and Nationals Government is committed to lower power prices while keeping the lights on.

We understand rising power prices are hurting Australian families and preventing small businesses from employing more people and expanding.

The Liberal and Nationals Government is taking strong action to lower prices and we are already seeing results.

On 1 July 2019, 800,000 Australian families and small businesses will benefit from lower electricity prices by moving to default market offer electricity contracts saving households up to $481 in South Australia and up to $663 in NSW and South East Queensland.

A re-elected Liberal and Nationals Government will be targeting a 25 per cent reduction in the average wholesale electricity price into the National Electricity market by the end of 2021 with the new supply through our Underwriting New Generation Initiative.

We are providing $365 million for Energy Assistance Payments of $75 for singles and $125 for couples to 4 million eligible social security payment recipients – to help with their next power bill and cost of living expenses.

Our Fair Deal on Energy delivers affordable, reliable 24/7 power to Australian families, businesses and communities, including:

- A price safety net to protect loyal customers and help families and small businesses make empowered and informed decisions about their energy plans.
- Big stick legislation to stop the big energy company rip-offs and banning sneaky late payment fees.
- Supporting reliable power by requiring energy companies to sign contracts guaranteeing enough energy to meet demand.
- Underwriting investment in new reliable power generation to improve competition, including Snowy 2.0,

Battery of the Nation and a shortlist of reliable generation projects. The ACCC forecasts that underwriting new generation can reduce wholesale power prices by more than 25 per cent.

We are reducing costs for households, businesses and community groups through investment in energy efficiency upgrades and advice, new building standards, opportunities for community groups to invest in solar, and supporting regional communities to invest in local micro grid electricity systems.
Our policies deliver lower-cost electricity while also meeting our climate commitments and increasing renewable energy. Around one third of Australia’s electricity will come from renewables by the early 2020s.

The Liberal and Nationals Government has a clear plan to reduce power prices for families and businesses. In contrast, independent modelling confirms that by 2030 Labor’s reckless emissions policies will reduce the average full time wage by $9,000 in real terms, reduce the number of jobs by more than 330,000 and increase wholesale electricity prices by 58 per cent.

Labor also wants to increase the cost of family SUVs and tradies’ utes by $5,000 and restrict choice of vehicles.

**OUR RECORD**

Since 2013, the Liberal and Nationals Government has:

- Abolished the carbon tax, saving households and small businesses $200 on electricity bills and $70 on gas bills.
- Taken action to ban retailers from charging sneaky late payment penalties.
- Secured better energy deals for 1.6 million households.
- Overseen a fall in retail electricity prices in Queensland, South Australia and New South Wales.
- Provided $268 million in Energy Assistance Payments in 2017 to age and disability support pensioners, single parent families and veterans to help with energy bills – $75 for singles and $125 for couples.
- Funded the Australian Energy Regulator to crack down on dodgy practices by energy companies and implement a default market offer to act as a price safety net protecting customers.
- Implemented National Energy Market rules to safeguard customers, including banning retailers from offering confusing discounts, protecting customers in financial hardship and requiring energy retailers to notify customers when their discounts are about to finish or change.
- Upgraded the Energy Made Easy website to empower customers to get a better deal and invested $11.7 million in the Business Energy Advice Program, delivering practical advice to help small businesses get better energy deals and increase their energy efficiency.
- Reinced in the power of the electricity networks, which if Labor had done sooner would have saved consumers more than $6 billion.
- Supported the COAG Energy Council’s establishment of Energy Consumers Australia to represent households and SME consumers.
- Directed the Australian Competition and Consumer Commission to monitor and report on prices, profits and margins in the National Electricity Market.
• Secured more gas for Australians through the Australian Domestic Gas Security Mechanism.
• Invested $100 million in hydrogen pilot projects and commissioned the Chief Scientist to develop a hydrogen strategy by the end of 2019, so we can capitalise on the economic opportunities from this exciting new fuel source.

OUR PLAN

Reducing power prices for families, small businesses and communities

Our Fair Deal on Energy delivers affordable, reliable 24/7 power to Australian families, businesses and communities.

To reduce power prices and protect consumers, the Liberal and Nationals Government has introduced a default market offer to act as a price safety net for those who find pricing and discounts confusing, or who simply don’t have time to negotiate. The default market offer will also require energy retailers to advertise their energy plans against a common price benchmark.

From 1 July 2019, we will permanently get rid of the ‘loyalty tax’ and lock in better deals for over 800,000 Australian families and small businesses.

Households changing to default market offers from standing offer tariffs will save up to $481 in South Australia and $663 in NSW and South-East Queensland.

Small Businesses changing to default market offers from standing offers will save up to $457 in South-East Queensland, $878 in NSW and $896 in South Australia.

These savings build on price cuts of up to 15 per cent secured by the Liberal and Nationals Government for more than 500,000 families and small businesses from 1 January 2019 – and our ban on sneaky late payment fees that will save some customers up to $1,000 a year.

But we know there is more to be done. That is why a re-elected Liberal and Nationals Government will be targeting a 25 per cent reduction in the National Electricity Market wholesale electricity price to less than $70/mwh by the end of 2021 with the Underwriting New Generation Initiative. Together with other policies that are already being implemented by the Liberal and Nationals Government, an average wholesale price of less than $70/mwh will reduce the average retail price for families and small business to around 25c/kwh, down from around 30c/kwh today.

The Government’s Powering Forward campaign is guiding Australian families and small businesses on the practical steps they can take: seeking better deals, switching energy providers and better managing their energy use.
Cracking down on Big Energy companies

The Liberal and Nationals Government is cracking down on unacceptable behaviour by the big energy companies against pensioners, families and hardship customers.

We have taken action to ban sneaky late payment fees, which can cost a household up to $1,000 annually.

We have also changed the National Energy Market rules to protect customers by:

- Banning retailers from offering confusing discounts.
- Ensuring vulnerable customers in financial hardship get the help they need to pay their power bills.
- Requiring energy retailers to notify customers when their discounts are about to finish or change.
- Requiring retailers to accept self-meter reads instead of estimated reads so customers are accurately charged.

We are taking a big stick approach to stop the energy company rip-offs – with our ‘big stick’ legislation based on recommendations from the Australian Competition and Consumer Commission.

Supporting reliable generation

The Liberal and Nationals Government is supporting reliable power by requiring energy companies to sign contracts guaranteeing enough energy to meet demand. This will help prevent blackouts in regions such as South Australia and price spikes during heatwaves.

The Retailer Reliability Obligation, agreed by all governments at COAG in December 2018, will require retailers to invest in enough generation to meet customer needs well ahead of time.

Investing in new reliable power generation

The Liberal and Nationals Government is backing investment in new power generation – improving competition by underwriting new reliable energy.

As recommended by the ACCC, our Underwriting New Generation Investments program will lower prices, increase competition and boost reliability. Technology neutral, it will ensure sufficient and affordable ‘power on demand’ to meet consumer and market needs.

The Government has selected a shortlist of 12 projects – six renewable pumped hydro, five gas and one coal upgrade. Together, they represent around 4,000 megawatts of new generation (the
equivalent of powering one million homes).

Importantly, the projects deliver a balance of renewable, affordable and reliable power for families and businesses and ensure we meet our 2030 targets.

This program builds on the Government’s investments in Australia’s world-class, reliable hydroelectricity with Snowy 2.0 and Battery of the Nation.

The Underwriting New Generation Investments program will deliver over 4,000 high-paying regional jobs.

**Energy Assistance Payment**

This year we are providing a further $365 million for Energy Assistance Payments of $75 for singles and $125 for couples to 4 million eligible social security payment recipients – to help with their next power bill and cost of living expenses.

**Regional Australia – supporting affordable and reliable energy**

The Liberal and Nationals Government is investing $50.4 million to help regional communities invest in new micro-grids. The Regional and Remote Communities Reliability Fund will support up to 50 off-grid and fringe-of-grid communities: investigating whether establishing a micro-grid is cost-effective and if technology can upgrade existing off-grid capabilities.

The Government has also announced a $10 million program to address supply and affordability issues in North and Central Queensland, and support large energy users such as aluminum smelters, cement producers, and irrigators battling excessively high energy prices.

Industries such as these, which play a vital role in Queensland’s economy, have struggled to obtain long-term, competitively priced electricity contracts.

In Queensland, the electricity networks, the bulk of the generation and the main retailer are controlled by the State Labor Government, which has failed to address affordability concerns while pocketing a record $1.65 billion to prop up its Budget.

**Snowy 2.0, Marinus Link and Battery of the Nation**

The Liberal and Nationals Government has invested $1.4 billion in Snowy 2.0 to firm up intermittent renewable energy and massively boost storage.

Snowy 2.0 will be the world’s second-largest high-tech pumped hydro power station and increase generation capacity by 2,000 megawatts – enough power for 500,000 homes during
peak demand. It will provide 175 hours of energy storage – that’s more than 2,700 SA Tesla batteries.

Importantly, Snowy 2.0 will also put downward pressure on wholesale electricity prices. It will create up to 2,400 jobs in construction and support up to 5,000 direct and indirect jobs across the Snowy Mountains region, providing opportunities for local businesses, improvements in local infrastructure and increased economic activity.

The Government is backing the next step towards Tasmania’s Battery of the Nation with a $56 million investment accelerating the delivery of the Marinus Link – a proposed second interconnector with the mainland bringing more affordable and reliable electricity to homes and businesses.

The Marinus Link will unlock new generation power and storage in Tasmania, helping to lower prices and inject more reliability in the National Electricity Market. The Marinus Link and Battery of the Nation will create 3,800 direct and indirect jobs during construction and deliver a $7 billion economic stimulus to north-western Tasmania and regional Victoria.

Renewables

Australia has a proud track record of meeting our international climate commitments and supporting renewable energy.

Under the Liberal and Nationals Government, we’ve seen an unprecedented wave of investment in renewable energy such as solar, wind and hydro. One in five Australian households now have solar rooftop panels, the highest per capita uptake in the world. Wind and solar generation in the National Electricity Market is projected to increase by 250 per cent over the next three years. Over $25 billion of clean energy investment is already committed in the Australian energy sector from 2018-2020 with a record $13 billion invested in 2018.

Our policies to support renewables include the Renewable Energy Target (supporting renewable energy to 2030), the Clean Energy Finance Corporation (CEFC) and the Australian Renewable Energy Agency (ARENA).

The CEFC has committed $6.4 billion to 110 projects worth over $21 billion. Since inception, there has been $2.20 of private sector leverage for every $1 of CEFC investment.

ARENA has $1.347 billion of funding already committed to support 441 different renewable energy projects, with a total value of $5.107 billion, including over $125 million to projects that support the integration of renewable energy into the grid, $63 million for energy storage, including batteries and pumped hydro, and $22.1 million in funding to 16 research projects to propel innovation in exporting renewable hydrogen to the world, and the recently announced funding of
$3.1 million to support the transition of the former Toyota car manufacturing site in Victoria to demonstrate the production and use of renewable hydrogen.

The Clean Energy Regulator has confirmed we will meet our 2020 large-scale Renewable Energy Target ahead of time, thanks to record levels of private sector investment.

Intermittent renewable energy must be backed up when the wind doesn’t blow and the sun doesn’t shine to ensure households, businesses, hospitals and schools can keep running. Australia needs reliable generation such as pumped hydro, gas and coal to support greater uptake of renewables.

**Support to reduce energy use and costs**

An Energy Efficient Communities Program will provide $50 million through more than 2,500 grants to eligible businesses and community organisations.

This support will help them save energy and reduce their power bills by installing new equipment or reviewing and improving their energy management. Eligible small businesses will be able to claim grants of up to $20,000, high-energy using businesses up to $25,000 and community groups up to $12,500.

We have invested $11.7 million in the Business Energy Advice Program, delivering practical advice to help small businesses get better energy deals and increase energy efficiency.

Small businesses will also be able to access a $30,000 instant asset write-off to purchase new energy efficient equipment.

The Liberal and Nationals Government is introducing new standards for appliances including space heaters to save families money. As well, we have created new labels for air conditioners to help inform customers which one will best suit their needs, saving an average household $200 per year.

The Liberal and Nationals Government will implement a National Electric Vehicle Strategy to ensure a well-planned and managed transition to new vehicle technology.

**Advice on Small Business**

We have invested $11.7 million in the Business Energy Advice Program, delivering practical advice to help small businesses get better energy deals and increase energy efficiency.

Further information on the practical steps small businesses can take to get better deals, switch energy providers and better manage their energy use is available online at our ‘Powering
Forward’ campaign.

Reducing costs of gas for households and businesses

We have taken strong action to ensure gas prices go down and gas supply goes up. Under our policies, average east coast spot prices are down around 10 per cent since the peak of February 2017.

The Liberal and Nationals Government is ensuring enough gas for Australians before it is exported. In September 2018, the Prime Minister signed a new Heads of Agreement with the three east coast liquefied natural gas (LNG) exporters to maintain a secure supply of gas to the east coast domestic market.

Under this agreement, east coast gas exporters must first offer their gas to domestic buyers on fair and reasonable terms. If a gas market supply shortfall is forecast, the Government can restrict exports.

However, the greatest impediment to low gas prices in Australia are state-based exploration restrictions.

The Liberal and Nationals Government has invested to improve the transparency, competitiveness and long-term security of gas supply in Australia, including $8.4 million to accelerate gas supplies from the Northern Territory to the east coast market – which will support the opening of the Beetaloo Sub-basin for exploration and development.

Other measures will improve the operation and transparency of the gas markets, remove physical gas pipeline constraints and support studies in the Beetaloo, Mount Isa and Cooper gas basins.

New pipeline capacity trading reforms started on 1 March 2019. These will help customers access gas transportation services at fair prices.

THE CHOICE

The Liberal and Nationals Government has taken action to lower power prices – and we’re getting results with our plan for affordable, reliable 24/7 energy for all Australians.

Yet during the last Labor Government, power prices doubled and went up each and every year.

Labor’s plan of reckless emissions and renewables targets will drive up power prices once again, cost jobs and reduce wages.
Independent modelling shows that Labor’s 45 per cent emissions target and 50 per cent renewable target will:

- Cost the economy $472 billion.
- Slash more than 336,000 jobs.
- Cut the average wage by over $9,000.
- Increase wholesale electricity prices by more than 58 per cent.

This is further proof that under a Labor government, Australians would be poorer.

We will pay more for necessities such as food, housing, energy and transport.

It will be harder for Australians to find a job under a Shorten Labor government.

Labor’s targets will send energy-intensive industries offshore, where they will face less stringent environmental and safety regulations, driving global emissions up.

Bill Shorten has never come clean with Australians about the true damage of Labor’s reckless targets on household budgets, small businesses, wages, industries and local economies.

Bill Shorten and Labor cannot tell Australians how much their policies will cost because they have never modelled the impacts.

But Labor also wants to increase the cost of family SUVs and tradies’ utes by $5,000 and restrict vehicle choice.

They are heading down the Rudd and Gillard carbon tax road, and when Labor tells you there will be no carbon tax, don’t forget that’s exactly what previous Labor governments promised Australians.

A Labor government will shut down industries including agriculture, aluminium, mining and manufacturing.

A Labor government will mean jobs exported overseas.

Labor’s reckless targets will punish Australian families already struggling with cost of living pressures and destroy the very industries that have made our economy strong.

Last time Labor was in government they delivered the disastrous Home Insulation (pink batts) Program that led to house fires, serious fraud and human tragedy.

Only the Liberal and Nationals Government has a sensible and balanced plan for meeting our emission reduction commitments.
Only the Liberal and Nationals Government can be trusted to keep our economy strong, to bring power prices down and keep the lights on.

<table>
<thead>
<tr>
<th>Coalition</th>
<th>Labor</th>
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<tbody>
<tr>
<td>$3.65 million for Energy Assistance Payments to pensioners and families to help with energy bills.</td>
<td>A reckless 45% emissions target and 50% renewable target that will increase wholesale electricity costs by 58%.</td>
</tr>
<tr>
<td>Backing Australia’s world-class renewable hydro in Snowy 2.0 and Tasmania’s Battery of the Nation and Marinus Link.</td>
<td>Taxpayer subsidies for people who can afford to purchase batteries.</td>
</tr>
<tr>
<td>Removing the Loyalty Tax will save households up to $663 and small businesses $896 on their electricity bills from 1 July 2019.</td>
<td>Voted 12 times against legislation to give the Australian Energy Regulator more powers to support lower prices.</td>
</tr>
<tr>
<td>Banned sneaky late payment penalties saving families up to $1,000. Banned energy retailers from offering confusing discounts.</td>
<td>A reckless 45% emissions target that will reduce wages by $9,000 and cut jobs by 336,000.</td>
</tr>
<tr>
<td>New big stick legislation to hold the energy companies to account and protect customers.</td>
<td>Voted against big stick legislation 12 times, protecting the big energy companies and their record profits.</td>
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<tr>
<td>Will meet our 26% Paris emissions target with a fully-costed $3.5 billion Climate Solutions Plan.</td>
<td>Will implement an economy-wrecking 45% emissions reduction target.</td>
</tr>
<tr>
<td>A National Electric Vehicle Strategy to support Australians who want to purchase new technologies.</td>
<td>A car tax of up to $5,000 on the cars Australians love to drive.</td>
</tr>
<tr>
<td>New affordable and reliable power by underwriting reliable pumped hydro and gas projects.</td>
<td>Continues to back big energy company profits. No plan for new, reliable generation in the NEM.</td>
</tr>
<tr>
<td>Support for small businesses and community organisations through a $50 million energy efficiency grants program.</td>
<td>An economy wrecking 45% emissions target that will result in a $472 billion hit to the economy.</td>
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<tr>
<td>Coalition</td>
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<tr>
<td>Established a Royal Commission into Labor’s disastrous Home Insulation (pink Battts) Program.</td>
<td>Introduced the Home Insulation (Pink Battts) Program (Pink Battts) which was linked to four deaths and 120 house fires. Turning schools into power stations operated by private energy companies</td>
</tr>
<tr>
<td>Abolished the carbon tax, providing relief for families and small businesses.</td>
<td>Introduced the carbon tax, costing households $550 and increasing power bills by $200 per year.</td>
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<tr>
<td>Invested $100 million in hydrogen projects.</td>
<td>A hydrogen fund that lacks detail and won’t replace the mining and manufacturing jobs lost because of higher energy prices under Labor’s reckless emissions targets.</td>
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</table>

**THE COST**

The Liberal and Nationals Government’s plan for affordable and reliable energy will not place additional costs on the Budget.