

HIDDEN COST, HIDDEN CONSEQUENCE: LABOR'S SECRET POWER PRICE RISE

Anthony Albanese's plan to gold-plate Australia's electricity grid will have a devastating impact on household bills and small businesses for decades to come.

Energy consumers would be left \$560 per year worse off by 2032-33, on average across the country, under Labor's plan to increase the size of the transmission network to almost \$100 billion

That's another \$560 Australian families will need to find every year to pay their energy bills.

Poles and wire charges - which make up around 46% of a typical household bill - will surge under Labor's plan.

That's because the Australian Energy Regulator independently sets the prices that households pay for poles and wires and does this largely based on the value of the network

So when Labor say they want to increase the value of the network by \$78 billion, what they are saying is they are happy to slug Australian families with a higher bill.

Minister for Industry, Energy and Emissions Reduction Angus Taylor said Labor's plan for higher electricity prices would be a hammer blow to Australian families.

"The Morrison Government is delivering real cost of living relief now and Labor's plan for higher electricity prices puts all of that at risk," Minister Taylor said.

"Concerningly, whilst Australian families lose out, wealthy multinational investors would profit at their expense.

"We know that when Labor was last in Government, electricity prices rose by 58 per cent - a record that Australians can't afford to see repeated."

Labor's own modelling identifies 11 pieces of energy infrastructure it will bring forward, including two of these at least 20 years before the independent market operator (AEMO) says they are needed.

Just 2 of the 11 projects on Labor's list are considered 'actionable' by AEMO, the market operator. The Government has already supported those two projects (Marinus and VNI West/KerangLink) financially.

The impact on families across the country are:

	CURRENT typical annual bill 2021-22 (\$ per year)	Increase in transmission charges by 2032-33 (\$ per year)	Increase on today's typical household bill (%)
Australia (NEM)	\$1,338	\$560	42%
ACT	\$2,103	\$752	36%
NSW	\$1,277	\$612	48%

Queensland	\$1,266	\$523	41%
SA	\$1,684	\$935	56%
Tasmania	\$1,899	\$752	40%
Victoria	\$1,246	\$374	30%

WHAT THE EXPERTS SAY

1. Tony Wood, Grattan Institute Energy Program Director (3/12/21):

“it’s hard to see how the numbers would deliver the savings they [Labor] suggest.”

2. Bruce Mountain, Director of the Victoria Energy Policy Centre (7/12/21):

“[I’m] sceptical of any claim that more transmission equals lower prices”.

“Suddenly, it turns out that they [the projects] are three to four times dearer than the number that the network service providers and governments first thought of. **This is pretty well established and has a massive impact on consumer bills.**”

3. Matt Harris, Energy Expert from Frontier Economics (6/12/21):

“The worry here is that a large quantity of economically dubious network is built, as is occurring now. The modelling [Labor commissioned] to support the package has flaws, though this shouldn’t detract from the policies. **Primarily, [Labor’s] modelling appears to overstate retail electricity bill savings** by assuming that a 26 per cent fall in wholesale price leads to a 26 per cent fall in retail prices, for a household saving of \$378 a year by 2030. But wholesale costs are only about one-third of an electricity bill, and so are the savings.

4. Labor luminary, former MP and the first female president of the Australian Council of Trade Unions (ACTU) Jennie George (6/12/21):

“The multiplier effect used in Labor’s promises of 540,000 ‘indirect’ jobs is so high as to make it unbelievable...”

“While much was made of the supposed jobs to be created, no mention was made of job losses under Labor’s plans.”

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