

OUR PLAN FOR LOWER ENERGY COSTS FOR SMALL BUSINESS



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KEY POINTS

Small businesses are the beating heart of Australia's economy.

When small businesses are healthy, all Australians are better off. It means more jobs, more choice, better living standards and more vibrant and connected communities.

Australia's 3.4 million small, medium and family businesses employ over 7 million workers.

We understand power prices are hurting Australian small businesses, preventing them from employing more people and grasping new opportunities.

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

The Liberal and Nationals Government is taking strong action to lower power prices to ensure our small, medium and family businesses can continue to grow strongly.

We are already seeing results. By mid-2019, over one million Australian families and small businesses will benefit from electricity prices falling by up to 15 per cent.

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

- 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, which the ACCC forecasts will reduce wholesale power prices by more than 25 per cent.

A new *Energy Efficient Communities Program* will provide \$50 million through more than 2,500 grants to eligible businesses and community organisations, helping them save energy and reduce their power bills by installing new equipment or reviewing and improving their energy management.



The Liberal and Nationals Government has a clear plan to reduce power prices for families and businesses.

In contrast, 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 336,000 and increase wholesale electricity prices by 58 per cent.

Labor also wants to increase the cost of business 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.
- Implemented National Energy Market rules that will protect small businesses:
 - Banning retailers from offering confusing discounts.
 - 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.
- 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.
- Reined 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.
- Secured more gas for Australians businesses through the Australian Domestic Gas Security Mechanism.



- The Liberal and Nationals Government has provide more funding and new powers to enable the ACCC to monitor electricity and gas prices.
- We have directed the ACCC to hold an inquiry into prices, profits and margins in the National Electricity Market and committed \$31.9 million in additional funding for the ACCC and Australia Energy Regulator. We have also funded the ACCC to monitor the behaviour and prices of producers, exporters, pipelines and retailers in our gas markets.

Our Plan

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

Small Business Energy Efficiency Programs

The Liberal and Nationals Government's *Energy Efficient Communities Program* will provide \$50 million through more than 2,500 grants to eligible businesses and community organisations, helping 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 and high-energy using businesses up to \$25,000.

Funding will support activities to help businesses and community organisations to save energy through:

- Equipment upgrades that reduce energy consumption.
- Investment in energy monitoring and management systems to better manage energy use.
- Completion of energy systems assessments or feasibility studies to investigate energy efficiency opportunities.

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

Price Safety Net

From 1 July 2019, we will permanently get rid of the 'loyalty tax' and lock in better deals for nearly 800,000 households and small businesses.



The price safety net will protect loyal customers and help small businesses make empowered and informed decisions about their energy plan.

For households or equivalent small businesses, changing to default market offers from standing offer tariffs could save up to \$479 in South Australia, \$696 in New South Wales and \$660 in south-east Queensland.

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, switching energy providers and better managing their energy use is available online at our 'Powering Forward' campaign (energy.gov.au).

Delivering reliable energy supplies

The Liberal and Nationals Government is supporting reliable 24/7 power by requiring energy companies to sign contracts guaranteeing enough energy to meet demand, and underwriting investment in new reliable power generation to improve competition.

The Government's \$56 million investment in the Marinus Link – a second interconnector between Tasmania and Victoria will – unlock Tasmania's world-class renewable hydro resources. The Battery of the Nation will bring more affordable and reliable electricity to millions of homes and businesses. The Marinus Link and Battery of the Nation will also create 3,800 direct and indirect jobs during construction and deliver a \$7 billion economic stimulus to north-western Tasmania and regional Victoria.

This is the type of investment which unlocks opportunities for small businesses.

Regional and Remote Small Businesses

The \$50.4 million Regional and Remote Communities Reliability Fund will support up to 50 off-grid and fringe-of-grid communities and businesses to investigate whether establishing a micro grid is cost-effective and whether existing off-grid capabilities can be upgraded with modern technology.

A micro grid is energy infrastructure at the community level, generally in rural and remote areas, including farms, and in the mining sector and Indigenous communities. Micro grids include generation (often a diesel generator), transmission (the poles and wires) and any storage. Micro grids can be entirely separate from the grid or connected.



The Liberal and Nationals Government's \$50.4 million micro grid program will allow communities to improve their local transmission, install community-scale batteries to support existing generation (such as solar), or upgrade existing facilities such as old diesel generators.

Moving some remote customers to off-grid supply could save hundreds of millions of dollars in network costs and reduce bushfire risks, while delivering more reliable and affordable power.

The Choice

Labor do not believe in enterprise and aspiration.

Each and every one of Labor's \$387 billion of higher taxes are **bad for business**.

A Shorten Labor Government would be the highest taxing government in Australia's history – and that's without taking into account Labor's electricity and car taxes.

Labor's plan for higher taxes will cost Australian small business twice. First, they will be **directly hit** as the cost of doing business increases. Second, a Shorten Labor Government will weaken our economy and make it a harder environment for small business to operate in.

During the last Labor Government, power prices doubled and went up each and every year. Labor's reckless emissions targets will drive up power prices once again, cost jobs and reduce wages.

Labor's policies will not reduce global emissions as businesses, jobs and wages are forced overseas.

By 2030, Labor's reckless targets will reduce average full time real wages by \$9,000, reduce the number of jobs by 336,000 and increase wholesale electricity prices by 58 per cent.

Labor's car tax will increase the costs of vehicles by over \$4,800 and mandate EVs for half of all new car sales. Seventeen of the top 20 vehicles sold in Australia don't have models which meet Labor's new carbon standard. Tradies and small businesses which require larger vehicles will be hardest hit by these policies.

The Cost

The Liberal and Nationals' plan for reducing energy costs for small businesses will not place additional costs on the Budget.

