

## Guy Barnett MP

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Tasmanian Government **Media Release**

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Guy Barnett, Minister for Energy and Renewables

### Another half-baked media stunt from Dean Winter and Labor

Mr Winter's poorly thought-out legislation on electricity prices is just the latest in a long line of sensationalist headlines and media stunts.

This proposed legislation would force Tasmania's seven energy retailers, including Aurora Energy, to provide electricity to regulated customers at a rate below the cost at which they purchase electricity, threatening their viability.

You don't have to be a genius to work out that Mr Winter's legislation would not be sustainable for Tasmanian energy retailers and would create chaos in our energy market. Simple common sense will tell you where this will end.

This is poorly conceived legislation intended to only serve as a media stunt. If Dean Winter spent less time chasing headlines and took more time to actually understand his shadow portfolio, he might have come up with some real options.

Mr Winter's half-baked, bill to cap the retail standing offer price is a blunt, costly, and untargeted plan that would:

- not provide the support and relief to those that need it most;
- send the seven retailers currently operating in Tasmania to the wall, when we encourage competition and choice for Tasmanians;
- create havoc in the market and lead to retailers who cannot provide power, and therefore Tasmanian businesses and families in the cold and dark;
- introduce sovereign risk for new market entrants, sending a strong signal to future investors that they would have to ensure the negative consequences of low prices, but be denied the benefit of higher prices. Market offer retailers would be disadvantaged under this anti-competitive model;

- put at risk the Tasmanian Renewable Energy Target, compromising Marinus Link, Battery of the Nation, energy security, thousands of Tasmanian jobs, green hydrogen and a cleaner world via the reduction 140 million tonnes of CO2 equivalent of taking one million cars off the road.

The Tasmanian Government is ready with a targeted, multipronged response, which will provide relief to those Tasmanians who need it most.

Our plan will be targeted, transparent, and will not have unintended consequences.

The Tasmanian Government knows just how important the cost of living is to Tasmanians and that's why we have worked to ensure our regulated energy prices for Tasmanians have remained the lowest or among the lowest in the nation.

Last year, households received a 7.11 per cent reduction in regulated electricity prices, and small businesses received an 11 per cent drop and over the past seven years, in real terms, regulated energy prices have decreased by 18 per cent for residential customers and decreased by over 27 per cent for small business customers.

Since 2014, in real terms, electricity prices have decreased by 18.04 per cent for residential customers and decreased by 27.18 per cent for small business customers.

In nominal terms, prices have decreased 5.44 per cent for residential customers and 15.8 per cent for small business customers.

What happened under Labor? Tasmanians haven't forgotten – prices hiked 65 per cent.

This Government has provided amongst the most generous concession programs, hardship provisions, energy efficiency loan schemes and winter payments in the Nation, to help those in the community doing it tough.

And, we will continue to monitor and respond accordingly when the increase in Tasmania's electricity prices is announced shortly by the independent Tasmanian Economic Regulator.