



Unlocking **AFFORDABLE ENERGY**

Libertarian Party - Victorian Energy Policy

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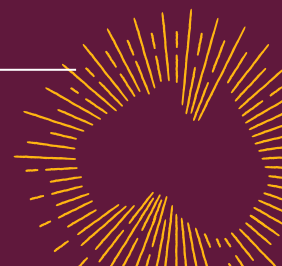
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Energy is far too important to be run by people so removed from the pain they are causing. What the world needs is energy liberated from the whims of politics.

Connor O'Keefe

Preamble

Energy is foundational to the modern world and to everyday life in Australia. Without energy, you cannot fuel a truck to move goods back and forth. Without energy, you can't power the computers needed to run an office. Without energy, you can't even boil water to make a cup of tea.

When the price of energy goes up, costs rise across the entire economy, affecting businesses, families, and individuals alike. Whether it's heating a home, commuting, or simply turning on the lights, everyone feels the impact of higher energy prices.

Cheap energy is a prerequisite for a growing economy and a falling cost of living. Therefore, it is essential that energy policy achieves these objectives. In Victoria, this should be a straightforward task.

Victoria is a resource-rich state that has historically enjoyed cheap and reliable energy. Australia (and Victoria) today is burdened with some of the highest energy prices in the world, approximately 20% above the global average.

Why, with so much natural abundance, are we facing such a dilemma? Put simply, it is because Victoria's major parties have chosen to play political games with energy policy.

Efficient suppliers of energy are hemmed in on every side by oppressive and intensifying regulations due to complex licensing, government schemes, and bans. Inefficient energy suppliers are propped up with subsidies paid for by an already overtaxed Victorian citizenry.

A faulty approach to achieving reduced carbon emissions has led to entire sources of energy being banned outright. All this has led to a crippled Victorian energy sector that struggles to supply energy to the market or to attract private investment.

For Victoria to reverse its declining economy and bring the cost of living down, cheap, reliable energy must form the base of such policies. Thus, energy reform is not optional. It is mandatory.



Policy

The Libertarian Party of Victoria will in government implement the following measures:

1 Establish - as far as is possible under the current national system - a true free market in energy. Eliminate all government intervention into and ownership of energy sources. Such measures only serve to distort the market, undermine supply, and reduce business confidence.

The Libertarian Party of Victoria supports market competition between all sources of energy on their merits. Under such a system, consumer choice will improve, investment in the energy sector will grow, energy prices will fall, and the cost of living will be reduced.

2 Make Victorian net-zero initiatives voluntary. Net-zero initiatives have proven extremely divisive in Australia. Some feel that all Australians (businesses, families and individuals alike) must be forced to drive down their carbon emissions to a net-zero level. Others feel that the government must aggressively eliminate such initiatives.

Both these approaches are flawed. In the first place, Australia is responsible for less than 2% of human-driven carbon emissions. Thus, coercive initiatives to achieve net-zero are simply not justified. Nonetheless, many businesses and families do seek to reduce their carbon emissions, and there is genuine overlap between reduced carbon emissions and the cutting edge of free-market energy technology innovation.

As such, the Libertarian Party of Victoria supports the following measures:

- a. Eliminate Victorian legislation that prevents the development of efficient low-carbon energy technologies;
- b. Allow Victorian businesses to publish their carbon emissions if they so wish; and
- c. Allow Victorian businesses to engage in voluntary carbon-trading schemes.

3 Eliminate Victoria's ban on nuclear power by repealing the Nuclear Activities (Prohibitions) Act 1983 (Vic). This ban - along with the nuclear power bans at the Commonwealth-level - are anachronistic relics that prevent Australia from using a cost-effective and highly safe source of power.



The Libertarian Party of Victoria supports the repeal of the Commonwealth bans on nuclear power, after which Victoria must permit the licensing of modern nuclear power plants in accordance with international best practice. This will open up new opportunities for the expansion and diversification of Victoria's energy sector for all Victorians, all whilst preserving the safety of Victorian communities and the Victorian environment.

4 Recalibrate the regulatory environment for coal, oil, uranium, and natural gas. The exploration for and extraction of coal, oil, uranium, and natural gas is currently stalled - if not outright banned - by various Victorian statutes and regulations.

Overall, Victoria's approach to these forms of energy may be described as overzealous. The societal value of these forms of the energy - whether they are used domestically or exported - is significant, and a balance must be struck between environmental protection and maximising the use of Victoria's natural bounty.

To this end, the Libertarian Party of Victoria supports allowing all coal, oil, uranium, and natural gas projects, with the caveat that all such projects be subject to the tort of nuisance, such that any unreasonable interference in the reasonable use and enjoyment of another's property creates a requirement to cease the offending activity, pay damages, or both.

5 Eliminate energy-sector subsidies. Currently, over \$1 billion of Victorian tax dollars are spent every year on subsidising certain patterns of government-favored energy consumption, including the State Electricity Commission (SEC) for the construction and operation of politically initiated energy-sector infrastructure projects. However, this is an inefficient approach to expanding Victoria's energy sector.

Taxpayer-funded subsidies quickly become politically compromised by changing governments and do too much to prop up inefficient enterprises at the expense of the broader economy, such as solar PV mandated feed-in tariffs, which caused misallocation of capital and were eventually scrapped.

As such, the Libertarian Party of Victoria supports discontinuing all subsidy programs, whether they are for renewable *or* non-renewable forms of energy. Only by doing this can the energy sector be made responsive to *consumer* (as opposed to government) priorities and genuinely efficient projects obtain the resources they need to expand, flourish, and create a firm and sustainable foundation for the future.



6 Streamline the process by which energy infrastructure projects can be approved. Energy infrastructure projects, such as interstate energy interconnectors, create opportunities to improve grid stability and productivity. Private investors' appetite to invest in Victorian energy infrastructure is currently undermined by an inefficient regulatory environment overseen by the Australian Energy Market Operator and the National Engineering Register. As such, The Libertarian Party of Victoria supports the following reforms:

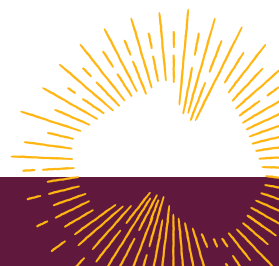
- a. encouraging the Australian Energy Market Operator and the National Engineering Register to streamline their technical and environmental approval system;
- b. encouraging the Australian Energy Market Operator and energy service providers to work with investors to establish more reasonable (and binding) turn-around times on all responses to investors and other stakeholders; and
- c. encouraging the National Engineering Register to establish a separate workstream for non-controversial Victorian projects.

These measures will make investing in Victorian energy infrastructure more attractive and will enable Victoria's grid to become stronger and more efficient, thus translating into cheaper and more consistent power for all Victorians.

7 Rationalise the obligations imposed on energy producers. Currently, the regulations in force with respect to the Victorian energy sector are complicated and inefficient.

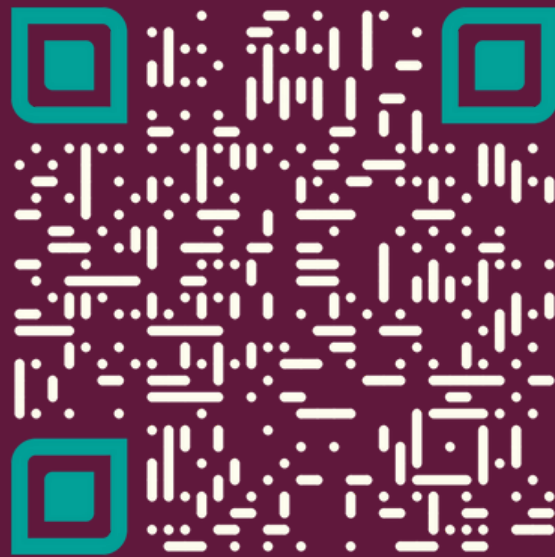
The Libertarian Party of Victoria supports abolishing both Victoria's current ad hoc regulatory regime in favour of the national regime (the National Energy Customer Framework) and Victoria's unique energy certificates scheme (the Victorian Energy Efficiency Certificates scheme).

This will reduce the licensing and energy efficiency requirements for participants in Victoria's energy market, will allow current suppliers to improve their efficiency, and will increase the number of suppliers who can compete in the energy market, therefore making the Victorian energy sector more competitive.



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Our Policies




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