AFFORDABLE AND RESPONSIBLE

The Opposition's Plan for affordable energy and lower emissions

Executive Summary

Australians are paying the price for Labor's reckless energy and emissions policies. Household electricity and gas prices have risen by almost 40 per cent since the 2022 election[1] . Australians were promised reductions of $275, yet prices have increased by up to $1,300 more a year than Labor promised[2]. Small businesses were promised an 18 per cent reduction on their bill by 2025[3] but now face increases of as much as 80 per cent[4].

Despite more than $75 billion in new spending under the Albanese Labor Government[5], Australia has made virtually no progress toward Labor's own 2030 targets of 43 per cent emissions reduction.

The government is now pressing ahead with a 62 to 70 per cent 2035 emissions reductions target that is among the most extreme in the developed world. Independent analysis suggests meeting that target would require as much as $530 billion of spending in the next decade[6] while undermining the competitiveness of our exporters. That is spending equivalent to around $50,000 for each Australian household.

Labor's plan is unaffordable, unrealistic and unfair.

Our plan is built on two core principles: Affordable Energy and Lower Emissions, securing Australia's energy future through practical, balanced and responsible action.

Affordable Energy

This principle ensures Australians have access to reliable, low-cost power that supports families, jobs and industry. It harnesses Australia's energy abundance, and draws upon all available energy sources, maintaining firm generation until new technologies are proven, and giving communities a real say in decisions that affect them.

- **A Balanced Energy Mix:** combining renewables, gas, hydro, storage, coal and zero-emissions nuclear to deliver affordable and stable power while reducing the need for costly new transmission lines.
- **Affordable Electricity Scheme:** establishing a framework to ensure least-cost generation and support investments that bring down wholesale prices for households and small businesses.
- **Least-Cost Reliability for the Long Term:** keeping reliable generation in the system until affordable, proven alternatives are available, protecting households from higher prices and instability.
- **Lifting the Moratorium on Nuclear:** allowing Australia to join other advanced economies in using next-generation, zero-emissions nuclear energy to provide dependable baseload power.
- **Australian Gas for Australians:** securing domestic gas supply for homes and industry, supporting manufacturing and regional jobs while stabilising energy markets.
- **Putting Communities First: r**equiring social licence for projects and transmission lines to ensure development strengthens, not divides, regional communities.

Lower Emissions

The Opposition is committed to the Paris Agreement and to doing our fair share to reduce emissions in a way that protects household budgets and keeps our economy strong.

Australians care about our environment and want to see responsible action to address climate change. That's exactly what we will do.

1. *ABS Monthly CPI May 2022 to September 2025*
2. *Australian Energy Regulator, Default Market Offer 2021-22 vs 2025-26 (Endeavour network)*
3. *REPUTEX_The-economic-impact-of-the-ALPs-Powering-Australia-Plan_Summary-Report-1221-2.pdf*
4. *Australian Energy Regulator, Default Market Offer 2021-22 vs 2025-26 (Endeavour network)*
5. *Press conference - Melbourne | Prime Minister of Australia*
6. *Business Council of Australia, 'Australian 2035 - Maximising Our Potential; https://www.bca.com.au/wp-content/uploads/2025/10/BCA_Report_-_Australia_2035_-_Maximising_Our_Potential_-_WEB.pdf*

Under our plan, Australia will reduce emissions in a responsible way:

- On average year on year, for every five-year period of Australia's Nationally Determined Contribution;
- In Australia's national interest by doing our fair share considering the real performance of OECD countries; and
- As fast and as far as technology allows, without imposing mandated costs on families or industry.

We will do this by cutting emissions without cutting jobs or raising household bills. We will rely on technology and innovation rather than new taxes or heavy-handed regulation.

- **Technology-Led Emissions Reduction:** driving practical, scalable and cost-effective solutions across energy, transport, agriculture and manufacturing that reduce emissions while growing the economy.
- **Priority Technologies:** directing investment to high-impact technologies such as carbon capture, advanced nuclear, commercial and industrial solar, low-emissions metals, soil carbon and biofuels, supported by updated *Clean Energy Finance Corporation* and *Australian Renewable Energy Agency* investment mandates.
- **Accountability and Baseline Credits (ABC) Scheme:** replacing Labor's punitive Safeguard Mechanism with a transparent, voluntary market-based system that rewards genuine emissions reduction and industry performance.

Together, these principles provide a responsible plan for affordable power and lower emissions, strengthening industry, protecting communities and restoring confidence that Australia's energy future will be technology-led and market-driven.

This document sets out our direction and intent - it is a clear statement of principles to deliver an affordable and responsible path for Australia. It is the foundation for a detailed plan to deliver affordable energy and responsible emissions reduction.

Whilst it is not our policy to set long-term targets, net zero would be a welcome outcome, if achieved through technology, choice and voluntary markets.

Australia deserves affordable power and responsible emissions reduction and that is what our plan achieves.

The Case for Change

There is no escaping the realities facing Australian families and businesses.

Power bills are up. Reliability is down. Emissions are flat-lining and industry is struggling. The national energy system is becoming less affordable and less secure.

Households Under Pressure

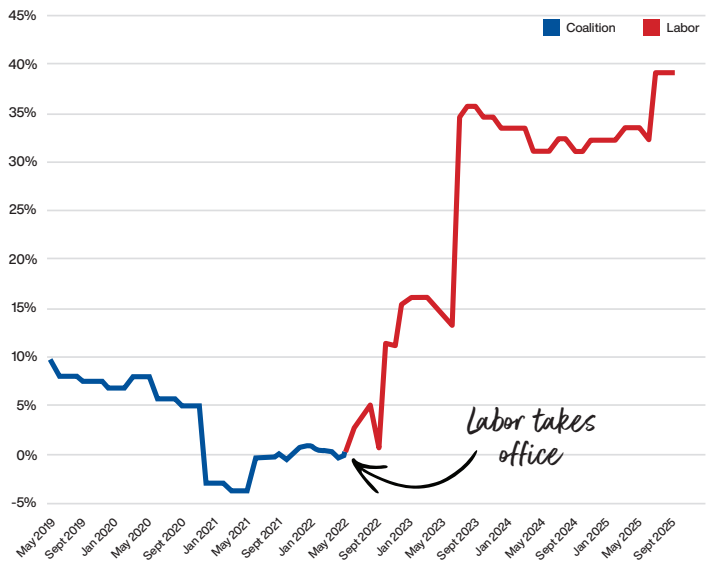
Labor promised Australians their power bills would fall - but prices have risen sharply. Household electricity and gas prices are up by around 40 per cent[7]. In 2022, Labor committed to cutting electricity bills by $275 by 2025, but prices have increased and some families are paying up to $1,300 more than promised[8].

More than 200,000 families across Australia are now on financial hardship plans with their electricity providers. This is an increase of nearly 50 per cent - since mid 2022[9].

In the last 12 months alone, more customers are in debt for their electricity and gas bills. The Australian Energy Regulator reports that the number of customers with energy debt has increased, as has the average debt level[10].

3 YEAR SNAPSHOT

Power prices **fell 10% under the Coalition** and **skyrocketed 39% under Labor**



Small Business is Suffering

Small business electricity bills have risen by as much as 80 per cent. For a modest business, this can represent tens of thousands of dollars in extra costs.

It is little wonder that the Council of Small Business Organisations Australia reports that one in three small businesses are struggling to pay their electricity and gas bills[14].

- 34 per cent of small businesses experienced financial strain and hardship paying their energy bills;
- one in five are struggling to pay their energy bills on time; and
- 45 per cent - nearly half - are concerned about their ability to pay future energy bills.

It is also no surprise that since Anthony Albanese became Prime Minister, almost forty thousand businesses have gone insolvent[15]. Survivors have been forced to increase prices, pushing up the cost of everyday goods and services for consumers.

Industry Under Strain

Australian industry is being hollowed out. High costs are eroding competitiveness and forcing employers to consider closures, downscaling and offshoring.

Since Labor came to government around 1,911 manufacturers have closed their doors[16]. Over the course of just this year, the Albanese Labor Government has bailed-out or supported six facilities, with at least one large refinery closure, and more large businesses on the brink.

7. *ABS Monthly CPI - May 2022 to September 2025*
8. *AER Default Market Offer, 2021-22 compared to 2025-26 (Endeavour controlled load)*
9. *AER Performance Reporting - to end March 2025; VIC Essential Services Commission - to end March 2025.*
10. *AER reports on retail performance for January to March 2025 | Australian Energy Regulator (AER)*
11. *REPUTEX_The-economic-impact-of-the-ALPs-Powering-Australia-Plan_Summary-Report-1221-2.pdf*
12. *Calculated based on cumulative changes in the Default Market Offer and Victorian Default offer 2021-22 to 2025-26 and using published residential customer numbers by the AER and Victorian ESC.*
13. *Calculated from the AER Default Market Offer (Endeavour controlled load) 2021-22 to 2025-26.*

Household Power Prices

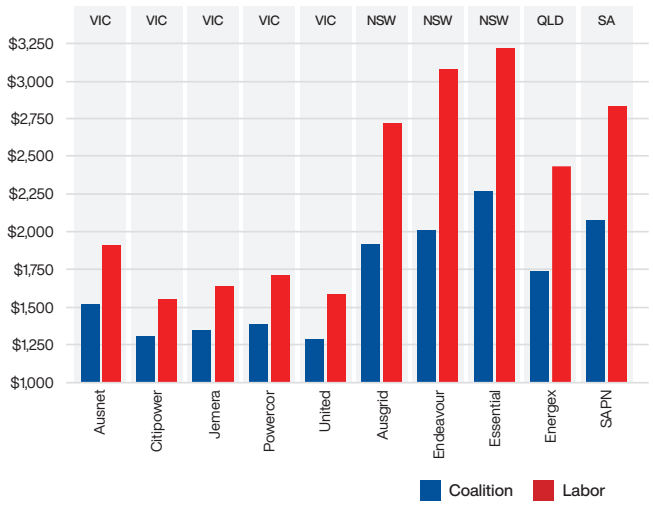
Labor's modelling of their renewables-only plan promised Australians their bills would be $275 cheaper in 2025, and $378 cheaper in 2030[11].

When Labor came to Government in May 2022, one of the government-regulated electricity plans for Western Sydney was around $2,014 a year for a typical family.

Today, that same plan costs $3,072. Similar results have been delivered across the country.

REGULATED ELECTRICITY BILLS

2021-22 and 2025-26 Comparison

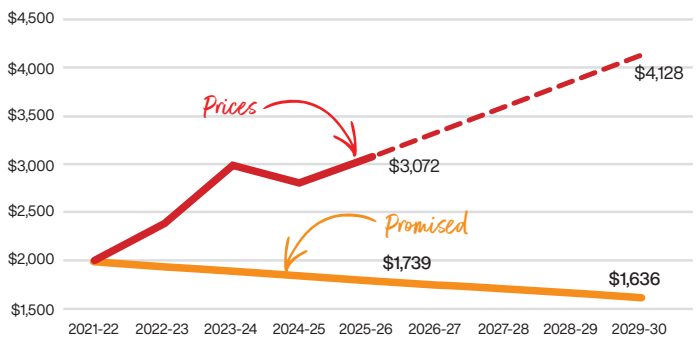


In fact, because of years of successive price rises under Labor, by mid 2026 Australian households could have cumulatively paid as much as an additional $3,177 for their electricity bills, compared to prices remaining where they were in 2021-22.

Across the east coast alone, this means that by the end of June next year, Australian households could have cumulatively spent over $18.6 billion on electricity in just four years under Labor[12].

If Labor's price rises continue as they have - increasing by as much as $264 per year on average in certain regions, households could be paying as much as $4,128 for their annual bill by 2029-30[13].

FORECAST POWER BILL INCREASES UNDER LABOR



While Labor promised that their plan would deliver lower wholesale electricity prices by 2025 of $51/MWh[17], in the last full year of 2024-25, average wholesale electricity prices in the National Electricity Market were more than double that - around $108/MWh[18], and as high as $127/MWh in New South Wales.

Recent research shows that businesses now rank energy costs as the primary concern for their future - with the level of concern about energy three times as concerning as other issues including tariffs, trade disruptions and cyber attacks. Many businesses have reported that the cost of energy was rising so fast that it risks Australia's international competitiveness[19].

In October 2025, the Tomago aluminium smelter, which supports around 1,000 jobs in the Hunter region, warned that it may not be commercially viable beyond 2029 due to the inability to secure affordable electricity.

Tomago Aluminium Chief Executive Officer Jérôme Dozol:

> ***"all market proposals received so far show future energy prices are not commercially viable, and there is significant uncertainty about when renewable projects will be available at the scale we need."[20]***

This is not an isolated case. The consequences for national prosperity are serious.

14. *Small business is facing energy hardship and is at the frontline of the energy transition. It needs support.*
15. *https://www.asic.gov.au/about-asic/corporate-publications/statistics/insolvency-statistics/*
16. *https://www.asic.gov.au/about-asic/corporate-publications/statistics/insolvency-statistics/*
17. *REPUTEX_The-economic-impact-of-the-ALPs-Powering-Australia-Plan_Summary-Report-1221-2.pdf Page 9*
18. *AEMO Data Dashboard, average prices 2024-25, not volume weighted*
19. *A survey of more than 500 Australian companies has found energy cost have become the top business challenge, while a surprising small number are worried about Trump's trade wars. | The Australian*
20. *Tomago Aluminium begins employee consultation on future operations : Tomago Aluminium*

What PM Albanese Promised

ANTHONY ALBANESE

"Australia can be the land of cheap and endless energy – energy that could power generations of metal manufacturing and other energy intensive manufacturing industries."

ANTHONY ALBANESE

"No one held back, no one left behind ..."

ANTHONY ALBANESE

"A better future is about using the rise of cheap, clean renewable energy to drive the revival of manufacturing in this nation..."

ANTHONY ALBANESE

"At the end of the first term of a Labor Government, when we reflect on what we have built, we'll see this ... an economy that makes more things here at home, powered by cheap renewable energy."

ANTHONY ALBANESE

"Labor has real and lasting plans for cheaper electricity ..."

Labor's Broken Promise with the Australian People

The Sydney Morning Herald

Customers to feel the pain as manufacturers tackle surging power costs

29/10/2022

ABC NEWS

Rich in resources, but Australia's energy costs have tripled and manufacturers are hurting

13/01/2025

ABC NEWS

Vulnerable Australians to choose between heating and eating this winter amid cost-of-living crisis

6/5/2024

THE AUSTRALIAN

Jobs at risk as Albanese overseas boom in busts

16/01/2024

THE AUSTRALIAN

Record number of Australians struggling to pay electricity bills

2/12/2024

FINANCIAL REVIEW

Household hardship mounts as energy prices increase

2/12/2024

The Case for Change

Reliability is at Risk

The Australian Energy Market Operator has repeatedly warned of reliability risks. While Labor has promised an 82 per cent renewables target by 2030, it is clear that this will not be met:

- Wood Mackenzie forecasts that the government will achieve just 58 per cent renewables by 2030[21];
- Rystad Energy forecasts that - even under the "most optimistic scenarios" the government will only reach 65 per cent by 2030[22]; and
- The Clean Energy Council reports that financial commitments to new projects are running "one third of the run-rate required for Australia to stay on track to reach its 82 per cent renewable energy target by 2030[23].

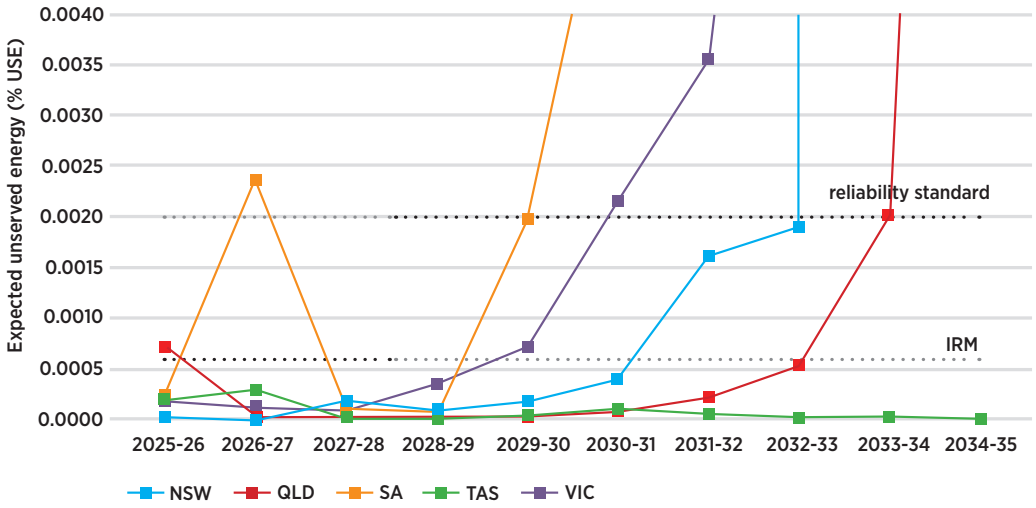
With a significant shortfall between actual investment and government targets for new generation - and increasing risk in the intermittency of the renewable generation profile - the National Electricity Market faces a yawning reliability gap. All mainland states on the National Electricity Market are expected to breach the reliability standard in the coming years[24].

Irrespective of the Albanese Labor Government's rhetoric about more renewables meaning lower prices - this is not what the market expects, with current forward prices in the wholesale electricity market remaining high[25].

The wide-scale grid blackout across Spain and Portugal in April 2025 has drawn renewed focus to the vulnerabilities of a renewables-heavy power grid. These outages highlight the importance of having adequate reliable capacity on the grid[26].

Unlike Labor, we will learn from international examples of failure, to ensure the same thing does not happen in Australia. The States have recognised some of these shortcomings and - despite the rhetoric - are already taking matters into their own hands to safeguard reliability and prices in the electricity grid:

- the Victorian Labor Government has signed two separate deals with the Yallourn and Loy Yang A coal generators to keep them in the market;



21. *https://www.woodmac.com/press-releases/key-renewable-energy-takes-away-from-australias-federal-election/*
22. *Australia's nuclear debate to shape election, but immediate energy security hinges on gas*
23. *Quarterly Investment Report: Large-scale renewable generation and storage, Q2 2025 | Clean Energy Council*
24. *Australian Energy Market Operator, Electricity Statement of Opportunities 2025; https://www.aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/nem_esoo/2025/2025-electricity-statement-of-opportunities.pdf?rev=8746cf0303364c34a31b7c740b6cb275&sc_lang=en*
25. *Quarterly base futures prices and volume traded | Australian Energy Regulator (AER)*
26. *Spain-Portugal blackouts: what actually happened, and what can Iberia and Europe learn from it?*

- the New South Wales Labor Government has signed a deal to keep the Eraring Coal-fired power station in the electricity market;
- the South Australian Labor Government is negotiating to extend the life of the Torrens Island gas fired power station; and
- the Queensland Government is taking steps to extend the life of their coal generation assets.

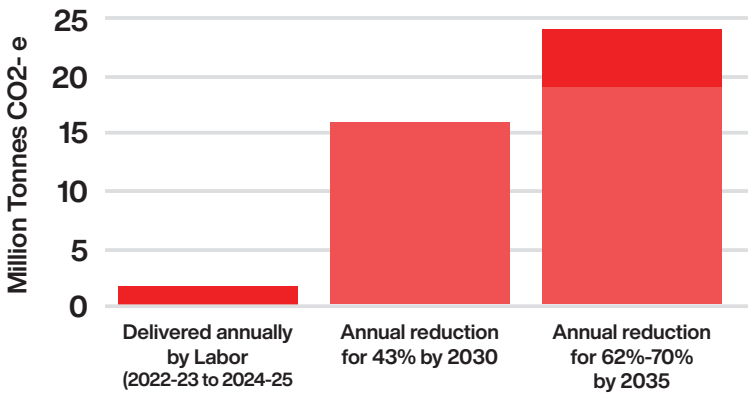
Billions Spent, No Progress

Despite more than $75 billion in additional climate spending by the federal Labor Government - equivalent to $7,000 per household - emissions reduction under Labor are virtually unchanged.

When Labor took office with its promise of a 43 per cent emissions reduction target by 2030, Australia had reduced emissions by 28 per cent from 2005 levels. Three years later, emissions are virtually stagnant at 28.7 per cent[27].

Labor has delivered just 4.4 million tonnes (Mt) of emissions reduction in total - an average of 1.47 Mt each year of their government.

LABOR'S DELIVERY IS RUNNING AT A FRACTION OF THE PACE NEEDED TO MEET ANY OF THER TARGETS



In contrast, since 2005, governments have delivered around 9mt of emissions reduction each year - and the Coalition achieved 13.6 Mt of emissions reduction each year on average across 2013-14 to 2021-22[28].

In order to reach Labor's 2030 target of 43 per cent, the Climate Change Authority advises that 16 Mt of emissions reduction has to be achieved each and every year - but Labor 's average performance is currently running at less than a tenth of the rate required.

Further, with Labor's newly announced 2035 target of 62 to 70 per cent, in each and every year from today, annual emissions reductions need to be increased to 19-24 Mt.

Even with record spending, Labor is failing to meet its own targets.

At Labor's current pace of emissions reduction - just 1.47 Mt each year, Labor will be unable to reach its 2030 target until 2083, and it won't reach the 62 to 70 per cent 2035 target until the second half of next century.

Australians are paying more, and the environment is no better for it.

27. *National Greenhouse Gas Inventory Quarterly Update: March 2025 - DCCEEW*
28. *https://www.dcceew.gov.au/sites/default/files/documents/nggi-quarterly-update-march-2025-data-sources.xlsx*

The Real Cost of Labor's Targets

Labor's new 2035 interim target of a 62 to 70 per cent reduction in emissions is now among the highest of any developed nation. This is despite Australia's unique energy challenges: a sparse population, one of the longest power grids in the world, heavy reliance on regional industry, and an existing ban on zero-emissions nuclear power.

If it was easy to reach net zero by 2050, any Australian Government would do it.

But it's not. It's costing Australians every day. Not just when they open their power bills, but when they pay for anything – because when energy is unaffordable, everything is unaffordable.

Independent modelling from the Business Council of Australia estimates that meeting Labor's 2035 target would require more than $530 billion of new spending in just ten years, equivalent to $50,000 per household.

Australia would also face an estimated economic shock of up to $150 billion in reduced annual exports[29], as cost pressures force energy-intensive industries offshore. The result would be job losses, lower wages, weaker regions, and a shrinking national revenue base.

Labor's ideological pursuit of net zero by 2050 is forcing Australians to pay more for everything, from energy and food to household goods and building materials. They demand sacrifices from families and businesses at a time when household budgets are already under pressure. And they do this without any credible plan to ensure that the energy we depend on remains affordable and reliable.

Worst of all, after spending an additional $75 billion on their failed policies, under Labor, national emissions remain almost exactly where they were three years ago under the last Coalition government.

Labor is being dishonest.

Anthony Albanese promised prices would go down: they've risen by 40 per cent instead.

Anthony Albanese promised emissions would go down: they've flatlined.

The Opposition will take a responsible and balanced approach to reducing emissions, ensuring that families, workers, and industry are not asked to bear impossible costs in pursuit of unrealistic targets.

> ***"Ambition without honesty is not leadership. Australians deserve targets they can trust."***

29 *Australia 2035 — Maximising Our Potential*

Global Approaches and What Works

Climate Change is a global challenge that requires a global solution. Australia has a strong track record of contributing to these efforts, but our contribution has to move in line with OECD nations.

Australia contributes around one per cent of global emissions[30], and while Australia has cut its emissions by 28 per cent since 2005, developed economies (OECD countries) have only reduced emissions by around 16 per cent over a similar period[31].

Put simply, Australia is already doing more than its fair share, having reduced emissions at almost double the rate of OECD countries.

But to reach net zero by 2050, Labor would have to double this again.

We should be proud of our achievements to date and we should continue taking responsible action.

But under our plan, emissions reduction goals will never compromise the first priority of providing affordable energy.

Many other nations have taken a more cautious approach on setting their interim targets for 2030 and 2035. In comparison to Labor's 2035 target of 62 to 70 per cent, Canada as a similar resources-rich nation with many primary industries has a 45 to 50 per cent target[32], New Zealand has a 51 to 55 per cent target[33], and Japan has a 60 per cent target[34].

Meanwhile, much larger emitters continue to increase emissions. This is why any Australian policy must recognise the global context, especially now that many economies are returning to energy security and competitiveness as guiding priorities.

Australia should neither streak ahead of OECD countries, nor lag behind.

We need a balanced plan to keep our economy strong, energy prices affordable and emissions lower at least-cost.

The Paris Agreement recognises that each country's pathway is different, reflecting national circumstances, technologies available and economic realities. These are set out in each country's Nationally Determined Contribution.

A fair, steady approach is what Australians support. It is what global agreements envisage. And it is what a responsible government must deliver.

> ***"Australia should do our fair share alongside OECD nations, backing every technology to cut emissions while keeping energy affordable."***

30. *Total greenhouse gas emissions including LULUCF (Mt CO2e) | Data*
31. *OECD Data Explorer • Air emissions - Greenhouse gas emissions Inventories (2005 to latest data in 2023)*
32. *Canada's 2035 Nationally Determined Contribution_ENc.pdf*
33. *New Zealand's second Nationally Determined Contribution*
34. *Japans 2035-2040 NDC.pdf*

The Opposition's Vision

Our approach is to deliver affordable power and responsible emissions reduction. Australians deserve an energy system that is more affordable than Labor's, and grounded in practical, achievable outcomes.

Since Labor was elected, power bills have surged by nearly 40 percent. Gas bills are up by over 40 percent. Families, households and small businesses are under strain.

Surging power prices are also hurting our critical industries, while industries of the future will be unviable if energy is unaffordable.

Emissions reductions have stalled. Australians are paying more without seeing progress.

Our approach puts affordability first. It will deliver steady emissions reduction at a pace our country can sustain.

We will adopt a balanced energy mix, harnessing all available energy technologies to make energy affordable. This includes:

- Renewables in the right place.
- Hydro and storage.
- Gas generation, and new gas supply by unlocking more exploration and infrastructure, and an east coast gas reservation scheme – to prioritise more supply for Australians.
- No premature closure of coal plants, which provide critical baseload power.
- Lifting the ban on zero-emissions nuclear energy, which 19 of the world's 20 largest economies are either using or moving toward. By lifting the ban, it can be considered as an option for investment.

We remain committed to the Paris Agreement and to doing our fair share in reducing emissions. Under our plan, Australia will reduce emissions on average year by year, in our national interest and in line with OECD countries.

We will reduce emissions as fast and as far as technology allows, without imposing mandated costs on families or industry.

Whilst it is not our policy to set long-term targets, Net Zero would be a welcome outcome, if achieved through technology, choice and voluntary markets.

Our approach is technology-led. We will prioritise scalable solutions such as carbon capture and storage, commercial and industrial solar, low emissions metals, soil carbon, biofuels and advanced nuclear.

We will modernise the mandates of the multi-billion dollar Clean Energy Finance Corporation and Australian Renewable Energy Agency so they can invest across the full range of low emissions technologies that deliver results. And we will replace Labor's punitive Safeguard Mechanism with a voluntary market that rewards genuine emissions reduction and supports competitiveness.

Our focus is on results Australians can afford, not targets Australia cannot meet.

We will judge success by whether Australians can afford their energy bills, keep their businesses operating and look ahead with confidence. What matters is a system that works for people and strengthens the country.

This is our vision. Affordable power. Responsible emissions reduction. A practical path that protects households, supports industry and builds a stronger Australia.

The Principles of Our Plan

Principle 1 - Affordable Energy

A Balanced Energy Mix

Australia needs an energy system that is practical, resilient, and affordable. A modern economy cannot function unless homes, hospitals and factories have dependable 24-hour energy.

The reality is simple: no advanced country relies solely on intermittent renewable sources. Every successful system blends technologies, using the strengths of each to ensure stability while lowering emissions.

Our approach recognises the important role of renewables, but it also acknowledges their limits. Solar and wind are valuable sources of energy, yet they cannot deliver guaranteed supply on their own. They require firming power and complementary technologies to keep the lights on, especially during periods of low generation.

The transition must not become a race to build more intermittent assets without the firming and reliable generation that makes them useful. Under Labor's model, the grid is becoming stretched and vulnerable - and therefore more costly. Households pay more, but reliability is threatened.

A more balanced approach is possible. The Opposition will ensure a mix of renewables, gas, hydro, storage, coal and zero-emissions nuclear power so consumers have power at every hour of the day.

> ***"The best way to cut energy costs is to use every tool available, not just one."***

Recent modelling backs this approach. Work commissioned by the United States Department of Energy under the Biden Administration found that systems combining renewables with baseload nuclear power can deliver electricity that is around 37 per cent cheaper than systems relying solely on renewables and storage[35].

Independent Australia-specific modelling from Frontier Economics has reached similar conclusions, finding that a balanced mix including baseload nuclear could reduce system costs by 25 to 44 per cent compared with a renewables-only model[36].

The most efficient system is the one that avoids building unnecessary infrastructure. Labor's $600 billion[37] sprawling renewables-only plan requires up to 26,000 kilometres of new transmission lines, costing taxpayers tens of billions and carving up regional communities and farmland along the way.

A balanced system dramatically reduces this need.

Affordable power for consumers depends on maintaining and enhancing firm supply while adding new technologies at the right pace. Forcing early closure of existing reliable generation increases costs. We will avoid this by working with the market to ensure supply remains available until replacement capacity is online. We will also seek to ensure that planning of our energy system and the market bodies are governed by the principles of affordability and reliability by seeking an amendment to contain the National Electricity Objective to delivery of a market that is in "the long-term interests of consumers with respect to price, quality, safety, reliability and security of supply".

35. https://gain.inl.gov/content/uploads/4/2024/11/DOE-Advanced-Nuclear-Liftoff-Report.pdf
36. https://www.frontier-economics.com.au/wp-content/uploads/2024/12/Report-2-Nuclear-power-analysis-Final-STC.pdf
37. Report 1 - Base case report - Nov 14 2024_v2

Our system will be guided by technology neutrality, with all technologies allowed to compete to deliver least-cost power. No viable option should be excluded. This approach encourages innovation and sends the strongest possible signal to investors.

A balanced energy system is the way to protect families, support industry, and keep the economy strong.

The Affordable Electricity Scheme

Electricity prices have risen sharply under Labor, with more than 200,000 families on hardship energy plans.

Small businesses face bill increases of up to 80 per cent, threatening jobs and forcing prices higher across the economy.

To restore order and reduce pressure on households, the Opposition will establish the Affordable Electricity Scheme. This is a practical, short-term measure designed to stabilise the market and ensure that new supply is delivered when needed.

At its core is a simple idea. Where the market is failing to deliver timely investment, government will offer targeted support to encourage private capital. This will keep existing supply online until replacement power is ready, avoid early closures that drive up costs, and ensure the system remains reliable.

Our Affordable Electricity Scheme will be technology neutral. It will support firmed renewables, gas, hydro, and other forms of generation that can help stabilise the grid and deliver affordable prices. No technologies will be treated in a disadvantageous way. It will not pick favourites, nor will it subsidise uneconomic projects simply to meet arbitrary ideological quotas. Instead, it fills a temporary gap and then steps back once the market is functioning.

Under Labor, taxpayers are underwriting more than 23 gigawatts of solar and wind projects through the existing *Capacity Investment Scheme*, regardless of whether they offer value to the market, and there is no guarantee they even get built. The scale of the scheme - one third of the current capacity of the grid - is entirely linked to Labor's 82 per cent renewables target - not delivering lower prices - and risks crowding out private capital and locking in higher bills.

The Opposition's approach is different. Our Affordable Electricity Scheme will:

- De-risk investment where needed;
- Encourage new generation that can compete on cost;
- Support existing reliable assets until replacements are ready; and
- Protect consumers from price shocks.

The goal is stability. The Affordable Electricity Scheme will help create certainty for investors and ensure orderly development while broader market reforms are implemented.

This is a measured approach. It keeps the market as the primary driver of investment. It avoids large, centrally planned interventions like Labor's *Capacity Investment Scheme*. And it protects families from costs that would otherwise be passed through in higher bills.

At the first meeting of the National Cabinet, we will move an amendment to the National Electricity Objectives, with consequential impacts to AEMO , to ensure that the focus of our energy market is in the long-term interests of consumers with respect to price, quality, safety, reliability and security of supply - not emissions reduction objectives. These reforms would ensure that AEMO plans the design of the electricity grid around delivering a least-cost energy system for consumers, not a system designed to meet political targets.

The Principles of Our Plan

Principle 1 - Affordable Energy

Least-cost reliability for the long-term

Reliability is inseparable from affordability - when reliability falls, prices rise. Labor's policies leave Australia exposed, seeking to force out existing generators faster than replacements are built.

Investors face higher risks and fewer incentives to build or retain the generation we need to keep the lights on. Government policy settings at federal and state levels have largely excluded existing generation or minimised key technologies like gas - making investment decisions more difficult.

Four years ago the Energy Security Board (ESB) - an independent grouping of the three market bodies - recommended the implementation of a technology-neutral capacity mechanism as part of its Post-2025 Market Design Project. A secondary market for availability, operating in parallel to the energy-only wholesale market.

The ESB's own modelling found that a capacity mechanism would deliver a $1.3 billion benefit to consumers when compared to alternative approaches[38]. Their advice was clear: "*without reform to the way that plants enter and exit the system to smooth the transition there will be costs to consumers*".

Many other nations which formerly had energy-only markets have evolved over time to include some sort of capacity mechanism. Even Western Australia's electricity market already includes a capacity mechanism - proving the concept is both practical and effective.

The ESB's advice was rejected by Labor in pursuit of its renewables-only policy. The Albanese Labor Government's *Capacity Investment Scheme* is **not** a capacity mechanism. It is purely focused on achieving their 82 per cent renewables target, it fails to focus on reliability, and hides the true cost to consumers.

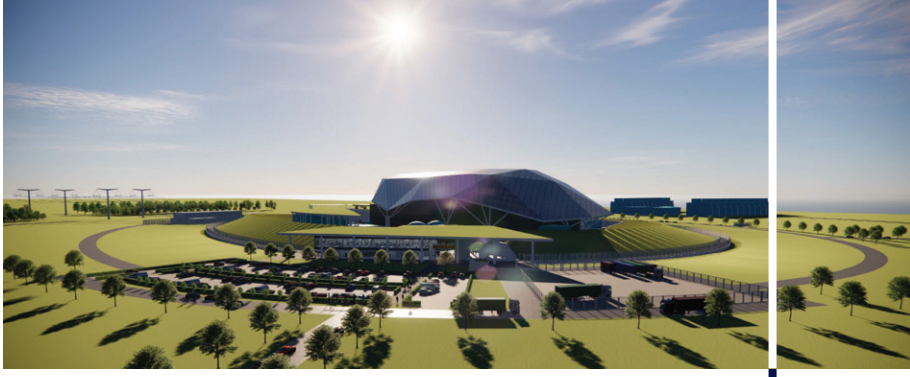
We still urgently need to implement measures to support reliability at least-cost: a long-term solution which reduces the need for ongoing government-led interventions.

The Government has now, once again been forced to consider alternative solutions for long-term reliability, including an *Electricity Services Entry Mechanism*[39]. However, unlike this proposal, it is critical that policy solutions are entirely linked to lower prices for consumers and improved reliability - not calibrated to meeting arbitrary state and federal government targets.

Our approach will support a long-term reliability mechanism that:

- Is technology-neutral, with generation and storage competing on their merits for what the market needs;
- Supports new and existing generation to smooth entry and exit and remove the need for ad-hoc arrangements that reduce clarity and certainty in the market;

38. *Post 2025 Market Design Final Advice to Energy Ministers Part A_0.pdf page 27*
39. *https://storage.googleapis.com/files-au-climate/climate-au/p/prj36f491a5284dc4c74959e/page/NEM_Review_Draft_Report_August_2025_Final_2.pdf*



- Fairly allocate risk - it is fundamentally unfair that current policies like the Government's *Capacity Investment Scheme* and the New South Wales *Renewable Energy Roadmap* require consumers or taxpayers to shoulder the profit-making risk of private enterprise with no guarantee of lower prices;
- Complements the market and doesn't distort it, working effectively alongside other mechanisms for resource adequacy and not crowding out private sector-led investment; and
- Prioritises low costs, not political targets.

Lifting the Moratorium on Nuclear

Nuclear power is a proven, zero-emissions technology used across the world to cut emissions, ensure reliability and support industry. Nineteen of the world's twenty largest economies are using, expanding or introducing nuclear energy. Australia is the only one that is not.

Around the world, both nations and industry are relying on nuclear power as their pathway to a more secure and lower-emissions future. Around 31 countries[40] , 14 multinational banks[41], and around 120 businesses[42] have all signed a pledge to triple nuclear power. In addition many major technology firms - Google[43], Oracle[44], Nvidia[45], Meta, Amazon, and Microsoft[46] - have all signed deals for new nuclear power for their data centres.

Labor's ban means Australia is prohibited from even considering a technology that others rely on. This makes our transition harder and more expensive. If our competitors produce energy at a lower cost, they will keep their industries and attract new ones. We will lose ours.

Lifting the moratorium will allow private investors to bring forward projects. There will be no government mandate. The market will decide. Projects that can supply affordable, zero-emissions power will succeed. This is the fair, practical way forward.

Advances in nuclear technology are accelerating. Small modular reactors offer a flexible way to deliver power close to where it is needed. They take up minimal space, use far less water, and can be operational within a few years. The United States and Canada have been at the forefront of small modular reactor development, and Canada's first commercial small modular reactor power plant in Darlington, is due to be operational in 2030, paving the way for wider deployment across the developed world.

There is increased and growing demand for advanced nuclear technologies, and if Australia does not lift its moratorium, we risk getting left behind, given vendors can only fulfil so many orders within a particular duration.

> ***"Nineteen of the world's top twenty economies are using or pursuing nuclear. We should not be the only one standing still."***

40. *Six More Countries Endorse the Declaration to Triple Nuclear Energy by 2050 at COP29 - World Nuclear Association*
41. *https://world-nuclear.org/news-and-media/press-statements/14-major-global-banks-and-financial-institutions-express-support-to-triple-nuclear-energy-by-2050-23-september-2024*
42. *https://www.reuters.com/business/energy/bank-backing-gives-us-nuclear-new-momentum-2024-10-07/*
43. *Google to fund development of three nuclear power sites - World Nuclear News*
44. *Oracle designing data center that would be powered by 3 small nuclear reactors*
45. *Nvidia Invests in Bill Gates' TerraPower, Which Closes $650M for Its Natrium Reactor*
46. *Amazon, Google, Meta and Microsoft go nuclear*

The Principles of Our Plan

Principle 1 - Affordable Energy

Australian Gas for Australians

Gas is vital to Australia's economy.

Gas provides nearly 30 per cent of Australia's electricity[47] and nearly 40[48] per cent of manufacturing energy needs. Yet Labor's renewables-only energy policy, slow project approvals, and hostility to new supply have created a national gas emergency.

Despite sitting on some of the world's largest reserves, gas prices have risen and Australia is expected to experience supply shortfalls as soon as quarter two 2026[49].

Quite simply we need more gas now. It provides vital heat and feedstock that cannot be substituted easily. Steel, aluminium, cement, fertiliser and many manufacturing businesses rely on affordable gas. Without it, they will close or move overseas.

Gas also plays an important role in the electricity system, firming intermittent renewables and maintaining grid stability. There is no credible pathway to a reliable grid without a strong gas sector.

Labor policies have done nothing to improve outcomes for Australians, with the Australian Competition and Consumer Commission recently finding that - to the contrary - Labor has made changes that have made investment in new supply harder[50] - making things even worse. This all pushes prices higher and threatens industry.

> *"Strong industry needs reliable gas. It is that simple."*

The Opposition will deliver policies that secure reliable, affordable gas for homes, businesses and industry, while protecting Australia's role as a trusted energy exporter.

We support locking in domestic supply with a prospective reservation policy developed in consultation with industry and trading partners. But it is critical that the scheme:

- guarantees meaningful supply for Australians;
- preserves existing contracts;
- Protects contracts with our trading partners; and
- puts downward pressure on prices in our domestic market.

We will drive new gas exploration and development across key basins including Beetaloo, Narrabri, Barossa, Browse, Cooper and Scarborough - bringing significant new supply online. Approvals will be streamlined, infrastructure investment supported, and gas delivery added to the investment mandate of the *Clean Energy Finance Corporation*.

New offshore exploration will be unlocked through reinstated annual tenement releases, while Victoria and New South Wales will be encouraged to fast-track local approvals. We will also back carbon capture and storage through our ***Priority Technology List*** to secure a cleaner future for gas, and new opportunities with our trading partners.

The Gas Market Code and Heads of Agreement will be replaced by the introduction of our prospective reservation scheme, alongside reforms to the Australian Domestic Gas Security Mechanism to ensure lasting stability.

Australia's economic strength depends on strong industry. Strong industry depends on reliable, affordable energy. Gas is central to that future.

47. *Australian Energy Statistics, Department of Climate Change, Energy Environment and Water https://www.energy.gov.au/sites/default/files/2025-06/Australian%20Energy%20Statistics%202025%20Table%20O.xlsx*
48. *Australian Energy Statistics, Department of Climate Change, Energy Environment and Water https://www.energy.gov.au/sites/default/files/2025-08/australian_energy_statistics_2025_table_h.xlsx*
49. *Gas Inquiry - September 2025 interim report*
50. *East coast gas supply outlook eases for first quarter 2026 | ACCC*

Putting Communities First

Regional communities are paying the price for Labor's rushed rollout of renewable infrastructure. Transmission lines are being pushed through farms and forests without proper consultation. Offshore wind zones have been declared in areas with strong local opposition, and present risks to marine ecosystems. Communities feel ignored and powerless.

This approach has eroded trust. It has placed pressure on farmland, biodiversity, cultural heritage and local amenity. It has generated confusion, conflict and deep frustration.

The Opposition will put local communities back at the centre of this decision making.

We will not fund any renewable energy or transmission project that lacks social licence. We will require genuine consultation before proposals are considered. Communities will have the right to participate meaningfully, and their concerns should be addressed.

To deliver this, we will create a **National Code of Conduct for Electricity Infrastructure and Renewable Developers.**

Based on best-practice models, including those under development in Queensland, our Code will set clear expectations for community engagement and responsible behaviour.

Developers seeking any Commonwealth support must:

- Demonstrate good-faith engagement;
- Provide evidence of dispute resolution;
- Uphold transparency throughout the project lifecycle; and
- Protect local environmental and cultural values and prime agricultural land.

Projects will be disqualified if they fail to uphold these standards.

Our Code will guide projects from planning through to construction, operation and decommissioning. Importantly, it will be embedded in a reformed Climate Change Act 2022 and State Energy Deals we will negotiate to ensure consistency across jurisdictions. We will also re-establish the previous powers of the Agriculture Minister to veto a native vegetation project where there are negative impacts on regional communities and agriculture production.

A national framework is essential. The Australian Energy Infrastructure Commissioner has reported a surge in community complaints. In 2024, there were 152 new cases, the third-highest year on record [51].

Landholders report losing control over their land, confusion over planning rules, and uncertainty about the removal and recycling of infrastructure.

The 2024 Dyer Review [52] found:

- 92 per cent were dissatisfied with engagement;
- 83 per cent of respondents did not believe their community would benefit from large-scale projects;
- 89 per cent said their concerns went unanswered; and
- 85 per cent said their issues were not addressed promptly.

These failures must be corrected.

Communities deserve to be heard, respected and protected. Our approach will balance the need for new infrastructure with the rights of locals, ensuring that development strengthens rather than divides.

> ***"No project will be funded without genuine community support. That is our promise."***

51. *https://www.aeic.gov.au/sites/default/files/documents/2025-07/aeic-2024-annual-report.pdf*

52. *https://www.dcceew.gov.au/sites/default/files/documents/community-engagement-review-report-minister-climate-change-energy.pdf*

The Principles of Our Plan

Principle 2 - Lower emissions

Technology-Led Emissions Reduction

Australia's pathway to lower emissions must be practical, affordable and grounded in technologies that can scale across industry and the grid. The Opposition will adopt a technology-led strategy that reduces emissions without damaging jobs, investment or competitiveness.

This reflects a simple truth. The fastest way to reduce emissions is to support the commercialisation and competitiveness of technologies that help emissions-intensive facilities operate more efficiently, draw on lower-cost clean power and adopt solutions that fit their needs. A rigid, ideological approach is narrow sighted, more expensive and less effective. The key is:

- accelerating the delivery of scalable low-emissions technologies which can compete on a cost basis with existing technology; and
- deploying the right technologies in the right place and at the right time, to ensure Australian industry is positioned to capture new opportunities while remaining competitive.

Our strategy focuses on practical tools that can deliver real-world cuts in emissions, not theoretical models. This means investing in promising areas while removing subsidies that have failed to deliver results.

> ***"Technology, not higher bills, is the smart way to cut emissions."***

Like most innovations, the development and deployment of new emissions reduction technologies faces barriers:

- they are potentially higher risk investments;
- they may lack the private sector capital required to scale up commercially; and
- prior to scalability, they will be higher cost than existing technologies.

Government investment can make a real difference in kickstarting the investment cycle by taking on early-stage risk and driving down investment costs - enabling deployment at scale and unlocking growth.

Unlike Labor, the Opposition understands that there is more to emissions reduction than solar, wind and batteries, and that not every sector can be electrified for emissions reduction.

That's why the Opposition's technology-led emissions reduction plan will go beyond electrification, focusing on supporting and unlocking development, and commercial deployment of technologies that have the greatest potential to provide cost-effective alternatives right across the economy - including heavy industry, transport, manufacturing and agriculture.

We will deliver this through **refocused investment mandates for the government's multi-billion dollar *Australian Renewable Energy Agency and Clean Energy Finance Corporation***, ensuring public capital supports scalable, high-impact, low emissions solutions. Funding will be targeted toward the most promising fields, not just ideologically-limited pursuits.

We will maintain the Investment Guidelines of March 2021, while amending them to include CCS and nuclear.

We will also reform the Climate Change Act 2022 to replace Labor's targets with our priority to ensure affordability and our three emissions reduction objectives.

Technology is not simply a tool for reducing emissions. It is a foundation for economic growth. A stable, technology-friendly system encourages private investment, gives industry long-term confidence and allows Australia to stay competitive as global markets shift.

Priority Technologies

Our approach will redeploy funding, including from across the *Clean Energy Finance Corporation and Australian Renewable Energy Agency*, to turbo-charge investments in technologies that have real potential to deliver emissions reduction across the economy.

Investment mandates for the *Clean Energy Finance Corporation* and *Australian Renewable Energy Agency* will be expanded to enable them to invest in the full range of emissions reduction technologies. We will ensure financing is directed to where it is most needed by establishing minimum investment thresholds to focus government investment on priority areas.

An investment priority list for low-emissions technology will focus on emerging technologies that have potential for scalability, rather than niche applications or mature technologies which do not require the same level of government support for commercial uptake.

The Priority Technology List will evolve over time, We will pursue innovation across a variety of spaces including soil carbon; carbon capture and storage; livestock water additives; biofuels; low emissions manufactured products like cement, steel and other metals; next generation batteries and storage; and commercial and industrial solar.

Commercial & Industrial Rooftop Solar

Australia leads the world in rooftop solar on homes, but commercial and industrial rooftops remain under utilised. Some estimates indicate that unused commercial and industrial rooftop space could supply as much as 25 per cent of our annual electricity use[53].

If rolled out at scale - with appropriate storage and export arrangements - commercial and industrial rooftop solar could add significant clean energy to the grid without requiring extensive transmission or large new land footprints. It will thereby relieve the burden on regional Australia while harnessing renewables for emissions reduction.

Next-Generation Batteries and Storage

Current battery storage capacity is generally between two to four hours. We see this as risky for the grid. We will prioritise research and development that advances next-generation battery chemistry and alternative storage technologies. This includes emerging opportunities in long-duration storage solutions (like flow batteries) that can deliver power reliably for extended periods. Our focus is on achieving higher energy density, improved safety profiles, and lower material costs to ensure that renewable energy can be stored and dispatched efficiently at any time.

53. *Solar above, batteries below: here's how warehouses and shopping centres could produce 25% of Australia's power | Victoria University*

The Principles of Our Plan

Principle 2 - Lower emissions

Carbon Capture, Utilisation & Storage (CCUS)

CCUS - in the right place - is one of the most important tools for reducing industrial emissions. It captures carbon dioxide from facilities such as cement, gas processing and steel, and stores it safely underground.

Australia already hosts two world-leading CCUS projects: Gorgon and Moomba

With the right policy settings, Australia can continue to build a strong CCUS industry that delivers lower emissions and supports competitiveness.This would include streamlined regulatory pathways, supportive investment settings and international partnerships.

CCUS directly supports regional jobs. It helps ensure energy-intensive industries can keep employing Australians while cutting emissions.

The Gorgon CCS Project

The Gorgon CCS Project in Western Australia has already successfully stored more than 11 million tonnes of CO_2 since mid 2019. Over its operational life the project is expected to mitigate 100 million tonnes of emissions - which is equivalent to around 20 per cent of Australia's annual emissions[54]. Sequestering 11 million tonnes in six years is a major milestone given Labor has only managed to reduce annual emissions by 4.4 million tonnes in 3 years[55].

> *"19 of the world's 20 largest economies are using or pursuing nuclear power."*

Advanced Nuclear Technologies

Advanced nuclear is proven in scale applications, with the next generation of reactors offering flexible, zero-emissions baseload power. Advanced nuclear technologies such as small modular reactors, which can be rapidly assembled, bring new opportunities to produce large amounts of zero-emissions electricity, whilst Generation IV technologies can be deployed to reduce emissions for hard to abate industries, as well applications for energy intensive industries such as AI and datacentres.

Canada's nuclear technologies

Canada is building four GE Hitachi's BWRX-300 small modular reactors in Darlington[56]. Each small modular reactor will produce 300 megawatts of power. The first of these reactors is scheduled to commence operations in 2030 and is expected to fuel significant economic growth: it will generate approximately 18,000 jobs during the construction phase and support around 3,700 long-term jobs once the reactors are operational. The entire project is projected to contribute an estimated $38.5 billion to Canada's economy over its 65-year lifespan, and will power 1.2 million homes[57]. The first of these four small modular reactors will begin operation by 2030, with construction commencing in 2025.

54. *carbon capture and storage | chevron australia - Australia.chevron.com*
55. *https://www.dcceew.gov.au/sites/default/files/documents/nggi-quarterly-update-march-2025-data-sources.xlsx*
56. *https://www.cnsc-ccsn.gc.ca/eng/resources/status-of-new-nuclear-projects/darlington/*
57. *Small modular reactors | Darlington SMR – OPG*

Accountability & Baseline Credits (ABC) Scheme

Australia's industries are already investing billions to reduce emissions, improve efficiency and develop new technologies. They deserve a policy that supports their ambition rather than punishes their success.

The Opposition will replace Labor's Safeguard Mechanism reforms with **a transparent, market-based system that ensures accountability for large emitters without Labor's mandates, blanket decline rates or punitive costs.** It ensures that every major facility reports its emissions transparently while allowing businesses to determine their own pathway to decarbonise.

Under the ABC Scheme:

- A transparent emissions baseline will be set for large facilities, against which they will need to report;
- If a facility delivers new emissions reductions below that baseline they will earn tradeable credits;
- Facilities will be able to bank, retire or trade those credits with other scheme participants; and
- Smaller facilities, emitting above 25,000 tonnes annually may choose to opt-in to the scheme, creating broader engagement across industry.

This protects jobs. It recognises existing corporate commitments. And it respects that each sector faces its own unique technological and commercial realities, supporting industry to choose the lowest-cost way to reduce emissions.

Unlike Labor's approach, it empowers businesses to choose their most efficient path to decarbonisation - businesses decide when and how to act. Importantly, this will encourage private-sector capital to back emissions-reducing technologies that make a lasting difference to emissions, not short-term compliance exercises designed to avoid Labor's penalties.

This approach encourages innovation. If a company identifies an affordable way to cut emissions, it can act quickly and be rewarded with credits. That is how a market should work.

> ***"We will reward lower emissions instead of punishing production."***

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