

STATE BUDGET

2018-19

MINISTER FOR ENERGY AND MINING DAN VAN HOLST PELLEKAAN MP MEDIA RELEASE

Tuesday 4 September

Renewing the focus on cheaper electricity

The 2018-19 State Budget is investing \$184 million in expenditure in a multi-pronged attack to lower the price of electricity and improve the reliability of electricity in South Australia.

“Reducing electricity costs was a core promise of the Marshall Liberal team and the 2018-19 State Budget demonstrates the new Government’s commitment to that pledge,” said Minister for Energy and Mining Dan van Holst Pellekaan.

“The 2018-19 State Budget delivers on the Marshall Liberal Government’s promise to invest \$100 million to establish its Home Battery Scheme to provide subsidies for homeowners to purchase batteries.

“The Home Battery Scheme is a critical component of the State Government’s plans to deliver cheaper electricity to South Australian households and small businesses.

The Home Battery Scheme will subsidise the cost of buying a home energy storage system for up to 40,000 South Australian households.”

The 2018-19 State Budget provides \$50 million for Grid Scale Storage to aid the development of new storage technologies to back up our abundant renewable energy.

Additional grid scale storage will help stabilise South Australia’s electricity network which has been weakened during the last decade by a disorderly transition which has left our system weaker and more expensive.

The 2018-19 State Budget invests \$30 million to better manage demand and help consumers benefit from helping to reduce peak demand to lower system costs.

Voluntary demand management delivers the twin virtues of lower electricity costs and lower emissions and greater reliability by taking pressure off the grid. The Government is also investing in new technologies to better integrate additional supply into the network.

The Marshall Liberal Government has committed up to \$14 million to accelerate early works on construction of the interconnector to New South Wales that will further reduce the price and improve the reliability of electricity in South Australia. This is made up of \$4 million in direct support and \$10 million in underwriting.

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The Marshall Government is also providing \$3.2 million this year to support the remediation of the environmental legacy left at Bird Lake by the closure of the Port Augusta power station.

In a similar vein \$1.3 million over four years has been allocated to support the management of the former mine at Brukunga in the Adelaide Hills.

The Marshall Government has also fulfilled its commitment to remove the extractive mineral royalty requirement for council rubble pits used in the construction and maintenance of roads and local infrastructure.

In order to meet the \$715 million per year savings task by 2021-22 left by the former Labor government and to deliver the new State Government's priorities, the 2018-19 State Budget includes the following savings measures in the Energy and Mining portfolio.

- \$14.3 million over four years from a reduction in grant program expenditure and a range of departmental operating efficiencies. The former government did not include a provision for ongoing external geoscience data and information delivery under the Plan for Accelerating Exploration. Grant funding to the Minerals and Petroleum Centre of Excellence will be discontinued in 2018-19 in recognition that it has successfully completed its five-year objective;
- \$4.2 million will be delivered from the reallocation of funds not yet committed under the Energy Productivity Program, allowing for another \$2.5 million in grants still to be made;
- \$2.4 million over four years from greater cost recovery under the Extractive Areas Rehabilitation Fund and the Opal Mining Act; and
- \$2.3 million over two years from the removal of royalty concessions on new mines from 1 July 2020.