

Electricity generation, issues and voting intention, February 2018

www.aip.asn.au

*The Australian Institute for Progress exists to advance the discussion, development and implementation of public policy for Australia's future,
from its base in Brisbane. The future does not look after itself.*

Contents

Electricity generation, issues and voting intention,.....	1
February 2018	1
Methodology.....	3
Executive Summary.....	4
Specific findings	4
Quantitative results	6
How strongly would you agree or disagree that you are having more trouble paying your electricity bill this year than in previous years?	6
Do you have rooftop solar power in the house where you live the majority of the time?	7
Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this.	8
How strongly do you agree or disagree that we should close all coal-fired power stations as soon as we can?	10
How strongly do you agree or disagree that we should subsidise renewable energy?	11
How strongly do you agree or disagree that we should subsidise fossil fuel generation?.....	12
How much more would you be prepared to pay on your household electricity bill to decrease Australia's emissions to levels that the current government accepts are necessary to limit climate change to 2 degrees or less by 2050?	13
Which of the following parties do you think has the best policies for electricity generation in Australia?.....	14
Qualitative Analysis.....	15
Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: Privatisation	16
Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: Network	18
Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: Renewables	19
Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: Government	20

Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: **Profiteering**..... 22

How strongly do you agree or disagree that we should close all coal-fired power stations as soon as we can? 24

How strongly do you agree or disagree that we should subsidise renewable energy? 26

How strongly do you agree or disagree that we should subsidise fossil fuel generation?..... 28

How much more would you be prepared to pay on your household electricity bill to decrease Australia's emissions to levels that the current government accepts are necessary to limit climate change to 2 degrees or less by 2050? 30

Methodology

The following graphs are based on a sample which has been weighted for voting intention based on the results of the Newspann poll closest to the time of the poll, as published in *The Australian*.

Results should be taken as indicative in that the sample is not properly randomised, but it is unlikely that groups are completely unrepresentative.

In these tables we have amalgamated the Pauline Hanson One Nation vote and the Australian Conservatives data. This is so that we have a statistically significant sample, and because both of these parties in our sample attract similar voters, with over 40% of both having voted Liberal or Liberal National previously.

The poll was conducted February 20 through to March 1, 2018 using our online panel of over 13,000 Australian voters.

Quantitative analysis was undertaken using Microsoft Excel, and responses were weighted for voting intention using the closest Newspann poll. Qualitative analysis was undertaken using Leximancer.

For further information contact Graham Young 0411 104 801.

Executive Summary

Most voters are experiencing higher power prices, and are having some degree of difficulty meeting the cost. Most are convinced that increasing electricity prices are due to corporate greed and government mismanagement, although there is a smaller counter-narrative that blames increasing use of renewables.

The theme of corporate greed expresses itself in two subsidiary stories: privatisation of electricity resources by governments, and gaming of the system by power companies. These voters want the government to exercise control over power prices by controlling retailers, generators and distributors.

They look to a past where power was cheaper, and mostly generated, distributed and sold by governments, so they draw the conclusion that as ownership has changed at some levels, and in some states, and power is now more expensive, privatisation is the reason.

These voters are generally convinced that renewable energy (wind and solar) is cheaper than the alternatives, and more modern, so that adopting them is a smarter, cheaper, more forward-looking solution than the current technologies.

Those who blame renewables don't articulate their case as clearly. They are more likely to be experiencing trouble because of higher prices, but they see the incursion of renewables as being the biggest issue, and tend to be supporters of coal.

With such incompatible stories it is unlikely that Australia will have a certain market for electricity generation and supply anytime soon.

The only thing that all sides of the argument have in common is that all-up 90% don't want to pay more than \$20 dollars per month to meet emissions targets. But many of them think that someone else should pay up if there is a cost.

And while the pro-renewables camp generally thinks that renewables are cheaper than conventional baseload, they are also keen supporters of subsidies for renewables, even if they don't want to pay for the subsidy.

Specific findings

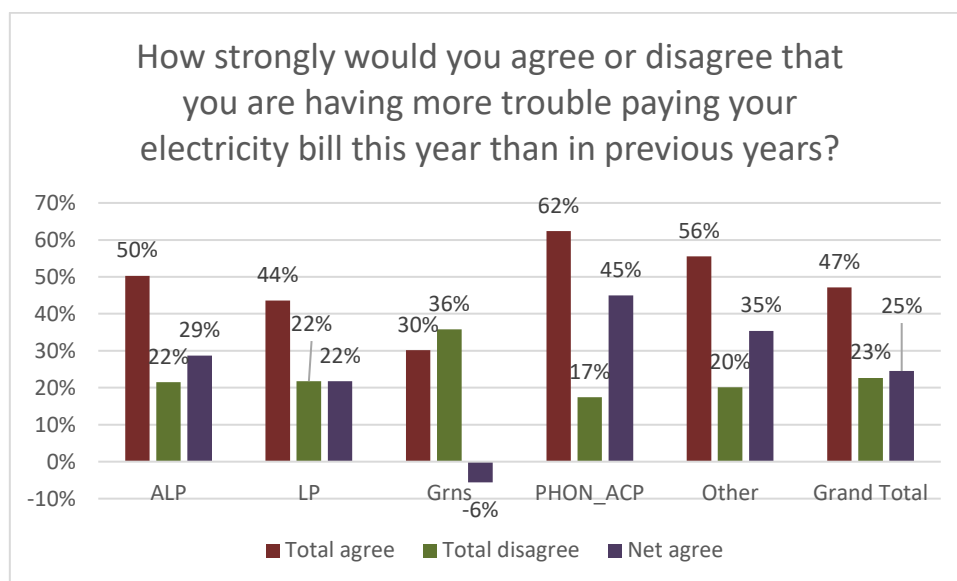
1. Almost half the sample (47%) thought that they were having more trouble paying electricity this year than in previous years, while only 25% disagreed. Greens were the least likely to have trouble (30%) with more being neutral (36%) than negative. Liberals were also below the average (44%) with all other groups being 50% or above. One Nation and Australian Conservative voters were the most likely to report trouble.
2. Greens were the most likely to have solar power at 47%, but across the sample the average was 40% with no meaningful statistical variance between the other 4 voting blocs.
3. We checked to see whether having solar power in the house made a statistically significant difference to perceptions of the price of power and it didn't appear to.
4. Privatisation of power was nominated as the most significant factor in increased power prices by 36% across the whole sample as well as by 55% of ALP, 49% of Greens voters and 34% of Others. It was the most nominated across the entire sample at 36%
5. Government was the second most significant factor, nominated by 22% across the sample.
6. Renewables was the third most significant factor in cost, nominated by 14% across the sample, although it was number one with Liberals (33%) and One Nation/Australian Conservatives (42%).
7. Privatisation becomes even more significant when we look at those factors ranked first or second with 54% across the sample rating it as one of the two biggest contributors, especially amongst ALP voters (75%) and

Greens (72%). Renewables still leads amongst Liberal and One Nation/Australian Conservatives, but they are closely followed by the government as the first or second problem. Government is relatively less of a problem for ALP and Greens voters.

8. There is a narrow plural support for closing coal-fired power stations as soon as possible with 48% in favour and 42% against. The same split occurs between the ALP and Greens on one side, and Liberal and One Nation/Australian Conservatives
9. There is broad support for subsidising renewables, driven by overwhelming support from ALP (84% for) and Greens (89% for) voters, and not quite negated by Liberal (59% against) and One Nation/Australian Conservatives (73% against) voters.
10. There is little support for subsidising fossil fuel generation. Strongest against were Labor (89% against) and Greens (96% against), and this was because they preferred renewables. But Liberals (52%) and One Nation/Australian Conservatives (54%) were also opposed, but this was more because they didn't believe in subsidies at all.
11. 56% of voters are not prepared to pay anything to limit emissions, including 80% of Liberals and 97% of One Nation/Australian Conservatives. 28% of ALP voters agree, as do 14% of Greens. Further analysis of Labor voters shows that 67% will pay no more than \$20 a month, and 60% of Greens will pay no more than \$40 a month. The qualitative responses showed that many voters thought the power companies, or others, should pay the cost.
12. No one party is ranked highly as having the best policies for electricity generation in Australia. Across the sample 29% think the ALP does, 25% the Greens, 24% the Liberals and 11% One Nation/Australian Conservatives.
13. There is a degree of dissatisfaction within ALP ranks, with 29% preferring the Greens policy. Similar dissatisfaction exists in the Liberal Party, but this time 17% preferring the Australian conservatives. The qualitative polling indicates that ALP voters would prefer policies that limit emissions more, while Liberal voters think the Liberal Party is too accommodating of emissions reduction.

Quantitative results

How strongly would you agree or disagree that you are having more trouble paying your electricity bill this year than in previous years?

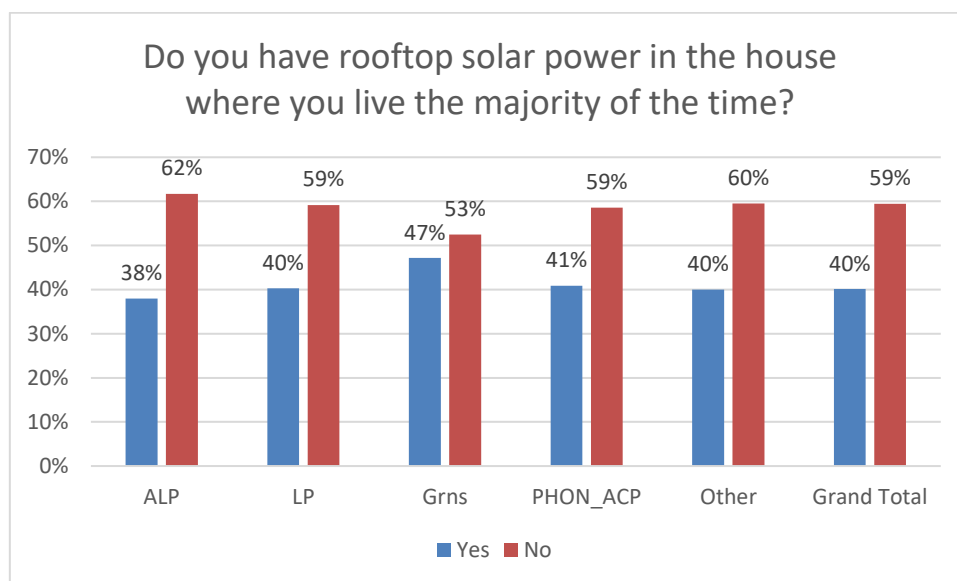


n=1208

This is a measure of affordability, not of cost, so it's possible that the issue is one of decreasing income, or increasing other costs, as well as increasing electricity costs.

Nevertheless for most groups electricity is becoming less affordable, with the exception of the Greens. It is more of a problem for One Nation and Australian Conservatives voters than any others, apart from those voting for micro parties. 47%, or just under half the sample says it is having more trouble, while only 23% disagrees with the proposition.

Do you have rooftop solar power in the house where you live the majority of the time?

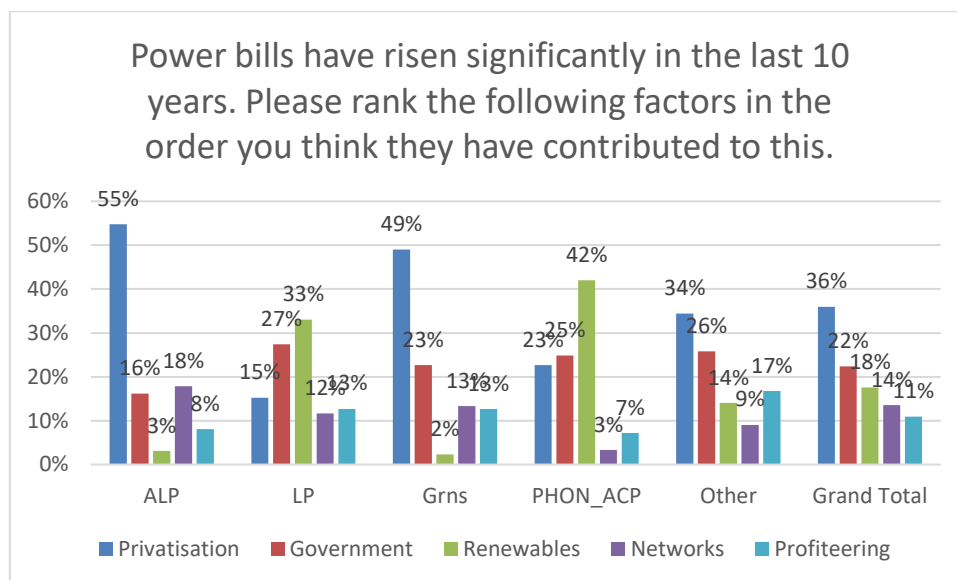


n=1254

Rooftop solar is fairly consistent across groups at the 40% mark, apart from Greens where penetration is 47%. We checked to see whether living in a house with solar power made any difference to attitudes on power, and found there was nothing that was statistically significant.

Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this.

The first graph shows the percentage of people who nominate one of privatisation, network costs, introduction of renewable energy, government mismanagement or excess profits by power companies as the most significant factor.

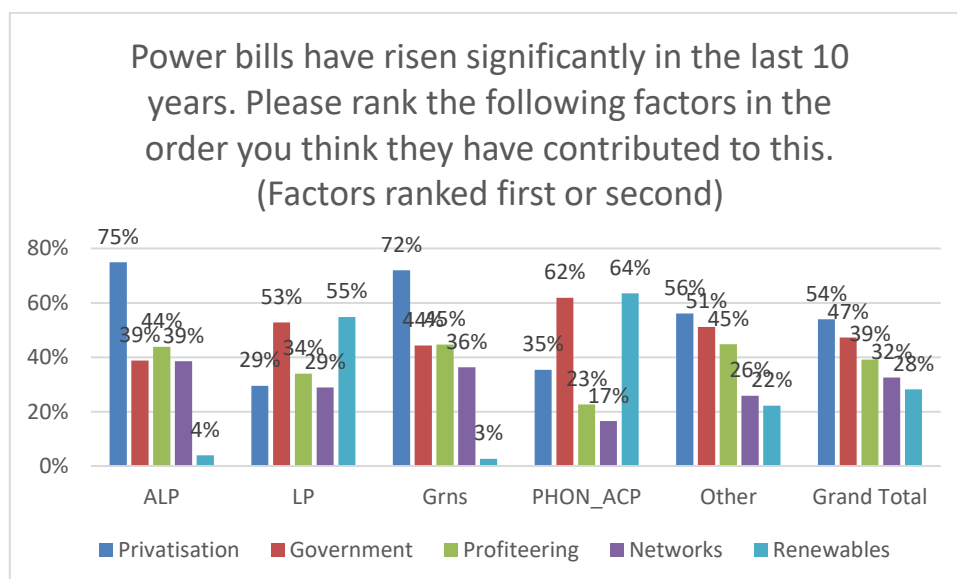


n=1257

Privatisation is the number one factor, but only represents 36% of the total. However it is the number one issue for ALP and Greens voters by a long way, and also for “other” voters.

Liberal and One Nation/Australian Conservatives voters nominate the introduction of renewables. However, the number two issue across the sample is actually government.

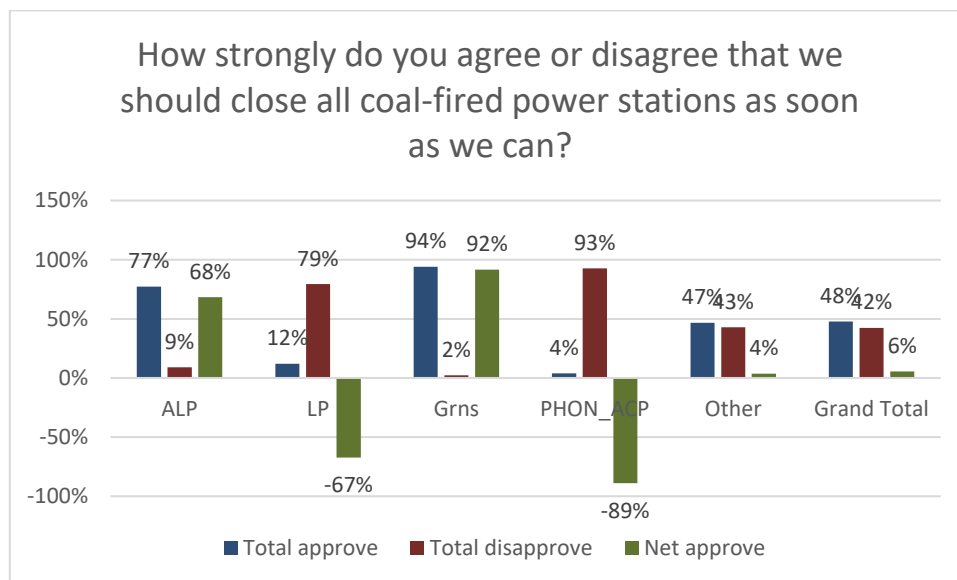
To get a clearer view we also plotted those people who listed an issue as either the first or second most important factor.



n=1257

The effect of this is that profiteering is more prominent than it appeared, meaning it is more likely to be everyone's second choice rather than their first. Renewables and network charges are the least likely to be blamed, and even 29% of Liberal and 35% of One Nation voters accept privatisation as an issue. This makes privatisation the most powerful issue across the political spectrum.

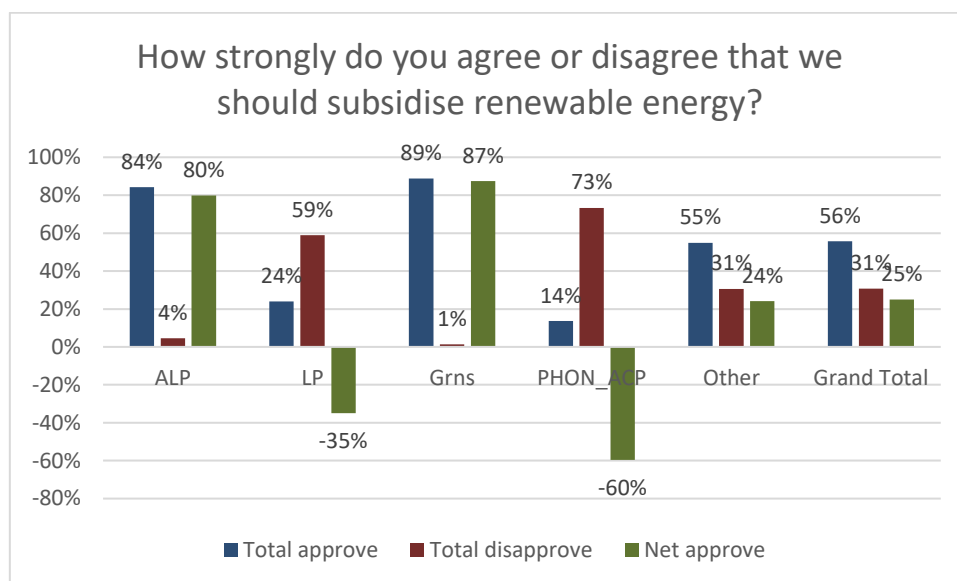
How strongly do you agree or disagree that we should close all coal-fired power stations as soon as we can?



n=1240

The country appears to be split on coal-fired power stations with Labor and Greens very strongly in favour of closing them and Liberal and One Nation/Australian Conservatives in favour of retaining them. The result is a slight win to Labor and Greens, but still with support from 48%, slightly less than 50%. Support for coal-fired power is 42%.

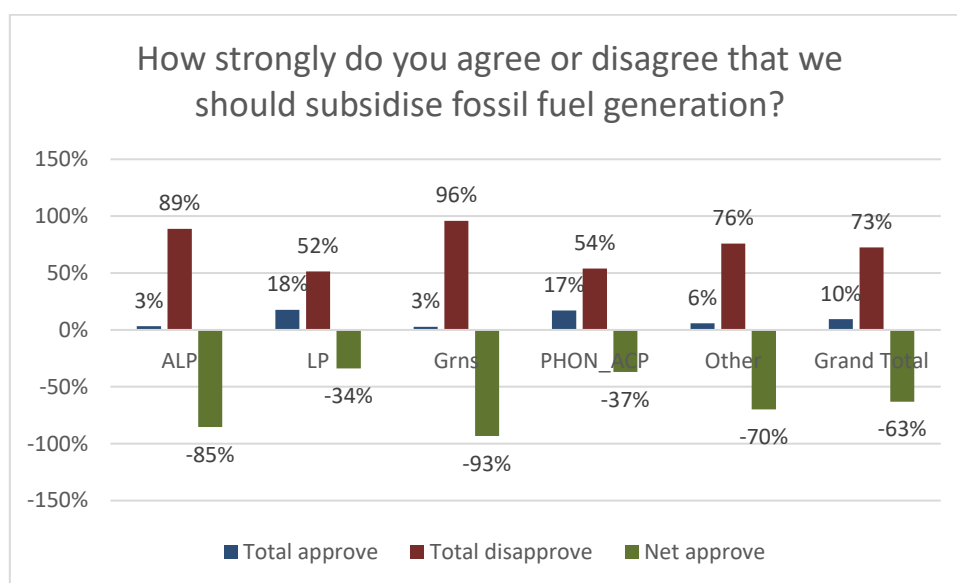
How strongly do you agree or disagree that we should subsidise renewable energy?



n=1233

Subsidies of renewable energy appear to be overwhelmingly popular with Greens (84%) and Labor voters (89%), with some support from Liberal (24%) and Other (55%) resulting in an overall 56% in favour. Liberals (59%) and One Nation/Australian Conservatives (73%) are opposed to subsidies for it.

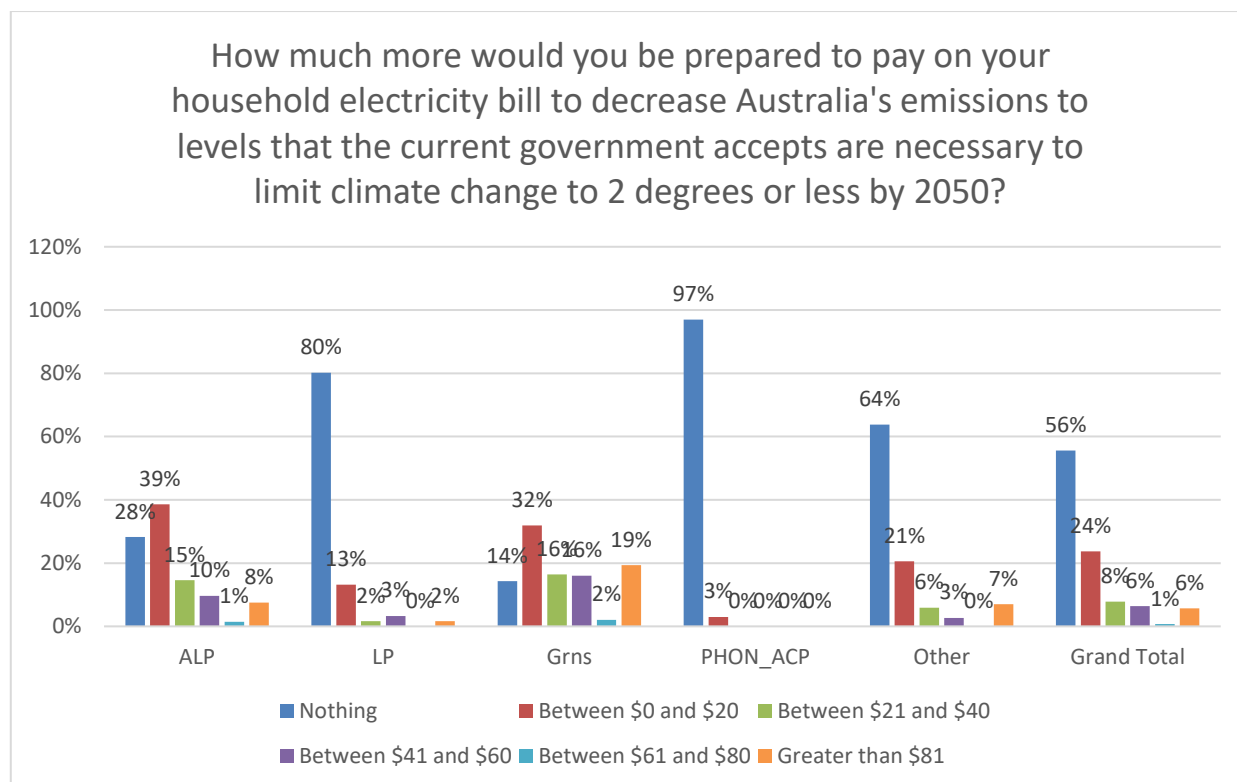
How strongly do you agree or disagree that we should subsidise fossil fuel generation?



n=1230

There is no support for subsidies of fossil fuel. Even those groups most likely to be in favour of fossil fuel power – Liberals and One Nation are both majority inclined against subsidies.

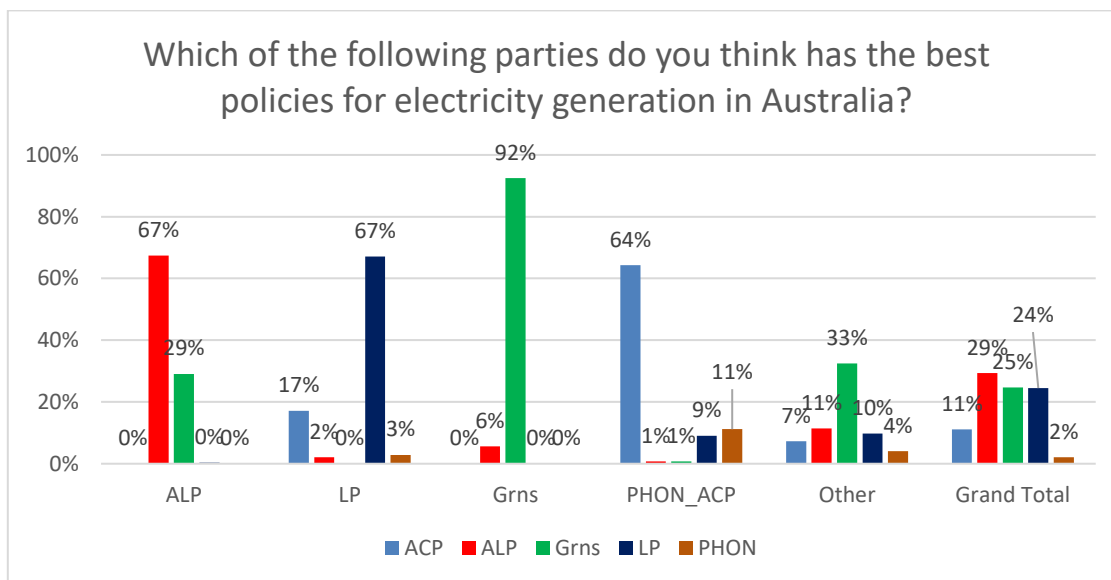
How much more would you be prepared to pay on your household electricity bill to decrease Australia's emissions to levels that the current government accepts are necessary to limit climate change to 2 degrees or less by 2050?



n=1064

Most people would prefer to pay nothing more for electricity to decrease emissions, with Liberal and One Nation/Australian Conservatives being 80% and 97% in favour of paying nothing additional. A combined figure of 80% out of our sample would pay no more than \$20 a month, or \$240 a year. This figure is 67% for Labor voters, 46% for Greens voters and 85% for others.

Which of the following parties do you think has the best policies for electricity generation in Australia?



n=941

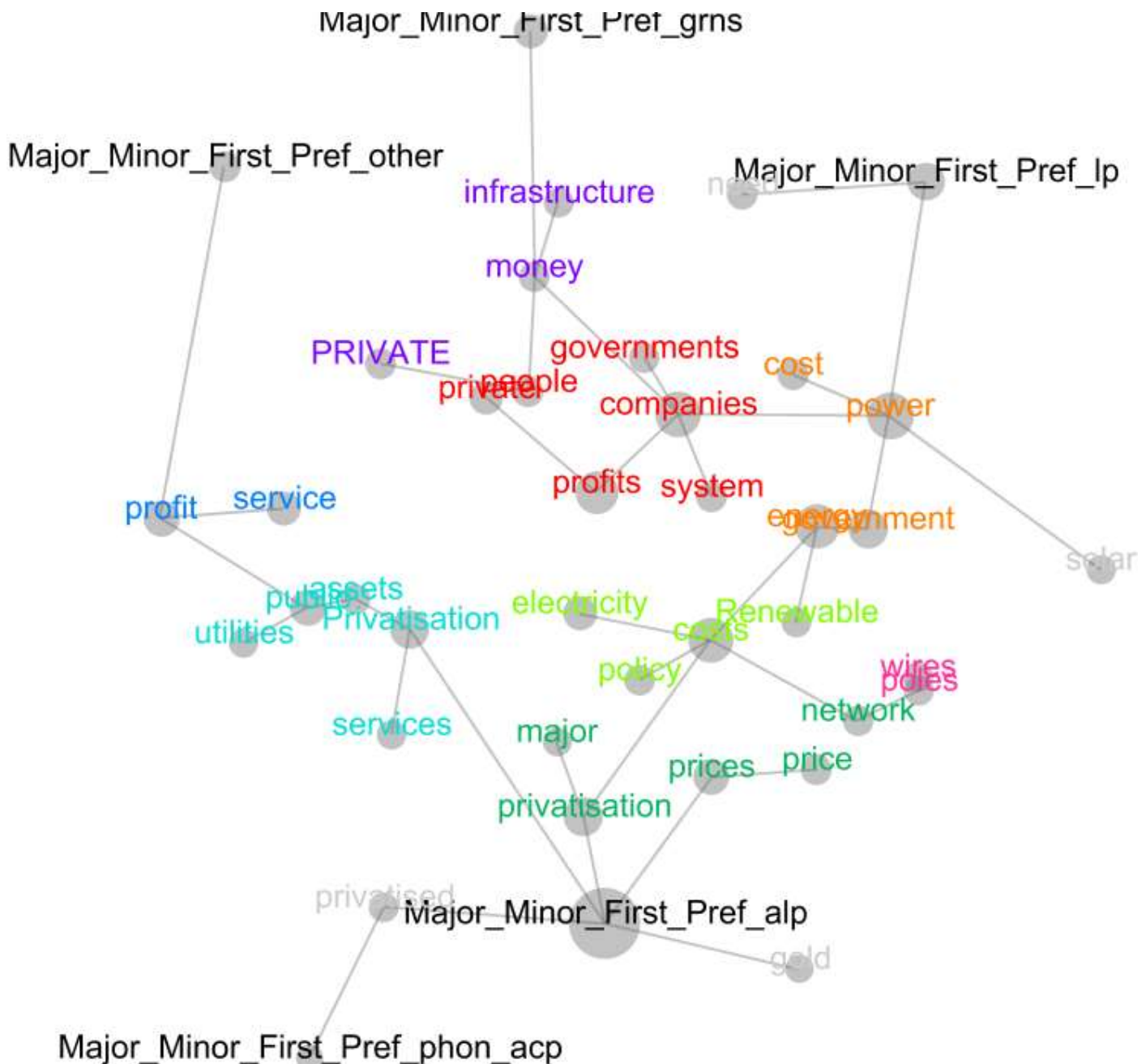
Labor is judged to be the best, with the Greens second and Liberals third. The combined support for ALP and Greens, who are more focussed on emissions, is 49%, but this is balanced by support for Liberal, Australian Conservatives and One Nation.

Qualitative Analysis

Our qualitative analysis looks at the reasons given by respondents for their various judgements. The following maps are generated from the data by Leximancer and overlay the key words over the variables from the question – generally the answer to the question plus voting intentions. Words that are most closely associated will cluster together. The most frequently used words are brighter than those used less frequently.

We do not edit the verbatims and all spelling and grammatical errors are reproduced. Editing the transcripts would take away from some of the unique tone of each response. The verbatims are selected so as to give a better insight into how the individual words are being used.

Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: **Privatisation**.



Verbatims

*electricity should be nationalised its a job for the government not companies making huge profits competition drove up prices because of the huge marketing costs the retail price was much lower when **County Councils** had the poles, the wires and the meter reading the government should be running the power stations the government failed to quaranteen gas suficient for the domestic market at regulated .prices equal or less than the export price*

Privatisation was the selling of public assets to companies which were formed by the governments who privatised them. **Renewable** energy has large initial capital expenditure that has to be recouped New private energy companies have to get profits from their investments.

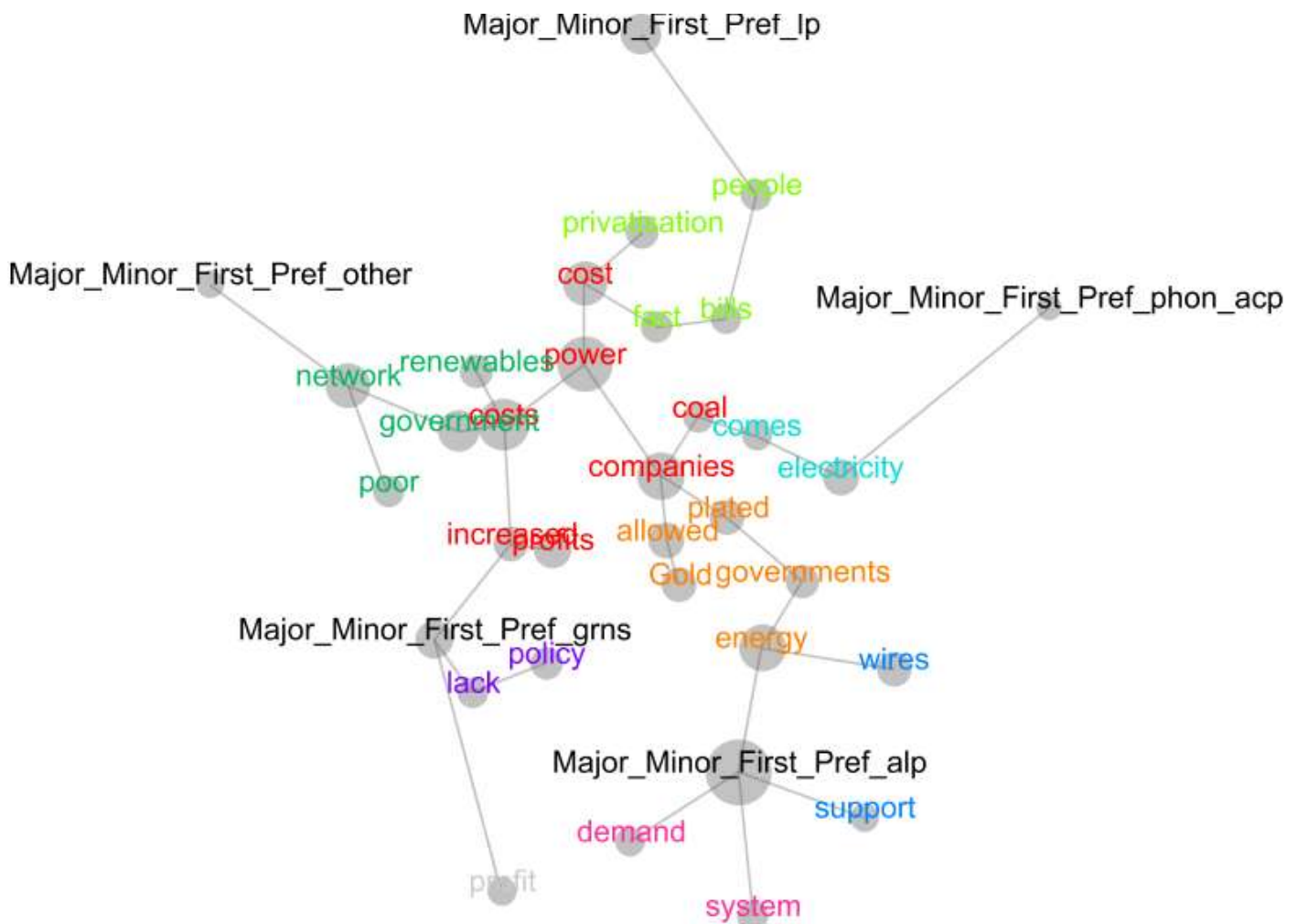
Snouts in the trough - greed and intent to generate profits and blame it on network costs. **Lack** of a national approach is a key failure of ongoing governments - lack of auditing power companies and making them publicly accountable, failure to plan ahead and ease in renewables.

Not sure I've really got the order correct but, I believe that privatisation is the principal reason for rising costs, coupled with the way the energy market works to the advantage of the various power companies. Then the government has totally failed to make proper assessment of future needs and to provide policies that would address those needs.

I believe that power companies will maximise profits where regulation allows. Any efficiencies from privatisation will accrue to profits rather than lower prices, better service or system reliability.

*excess profits are due to privatisation; government mismanagement is privatisation; network costs are due to future privatisation. **Further**, the ideological position of the **Liberal** government precludes sensible management of the power industry.*

Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: **Network**.



Verbatims

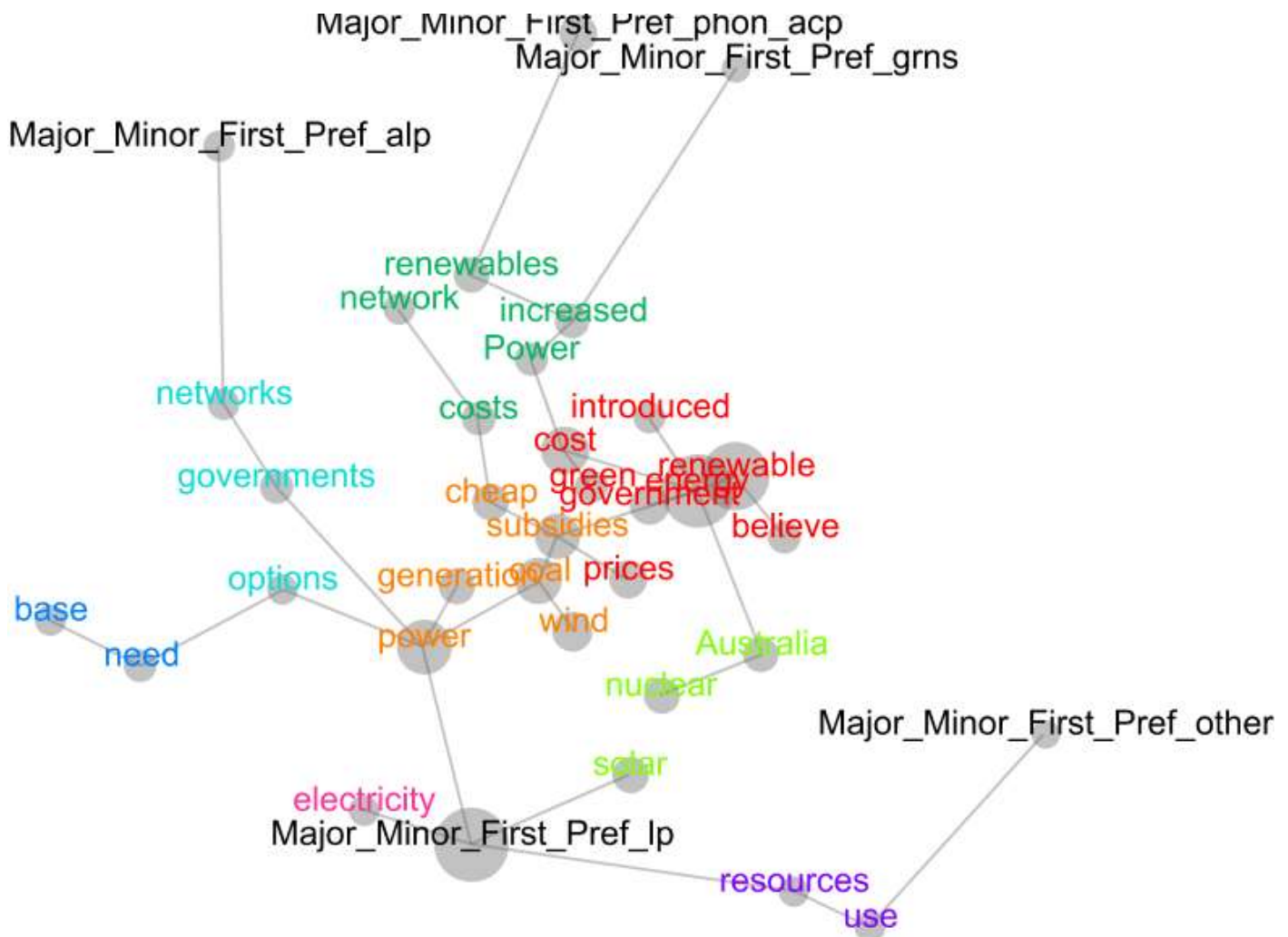
During the years of the last federal **Labor** government, generation costs were falling steadily as the supply of generation steadily increased, and the cost of energy from renewables fell steadily and continues to fall. Yet retail prices skyrocketed, as network companies and retailers exploited their position and poor regulation to reap skyrocketing profits.

It's a furphy that renewables have added to the power costs, and shame on those **Libs** that pushed that barrow for all they were worth. I do not in fact know what causes power bills to rise, but I'd bet excess profits is in there somewhere, and that the cost of doing business has gone up because suppliers figure "Hey, it's the government (or it's **Big Business**), they can pay a premium."

Gold plated networks increased consumer costs by 60%, **Renewables** and closing coal fired stations comes a close second and will be the major cause in the future. State governments such as **SA** and **Vic** have bungled their networks, and privatization has been shown to reduce costs.

The fact is that 'posts and wires' make up nearly half of electricity bills is clear evidence that we are being sluggish. I am particularly concerned that older and vulnerable people and struggling families are being exploited and conned about energy.

Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: **Renewables**.



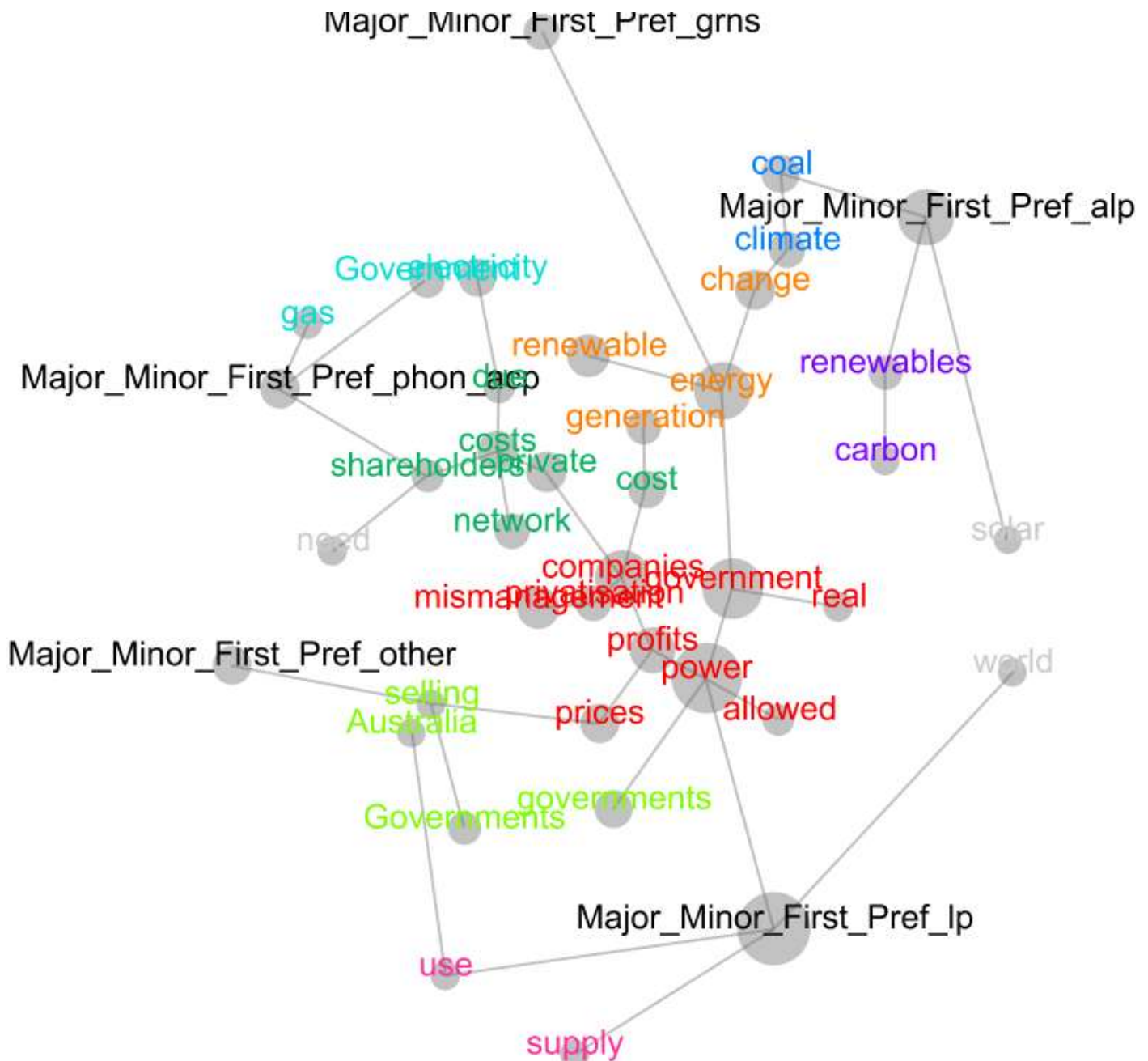
Verbatims

Power prices only started to rise once renewable energy subsidies and targets were introduced. **Coal** fired power generation is very cheap and reliable **Solar** and wind are not reliable and are very expensive to set up hence the subsidies As they are intermittent and after subsidies cheap they destroy the cost benefits of coal hence the system has been stuffed by design by the mismanagement of the government The green lobby are lying to the public and none of them have the courage to turn things.

Renewable energy targets have led to massive government subsidies for wind and solar, which do not generate power at all times and wind's unreliability requires that for every additional **MW** of power generated by wind, equivalent backup capacity that can be rapidly brought online needs to be created. This is often in the form of gas turbine generation

Power prices declined in actual and in real terms from 1950 until the cost was \$30 per **Mwh** in todays dollars. In the last 30 yers that price has increased along with intermittent energy production so that the average price for a **Mwh** is more like \$ 100 and then on top of that the massive ongoing billions of dollars subsidy to wind farms and solar.

Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: **Government**.



Verbatims

Qld Governments bungled by privatising, spinning the yarn that competition makes things cheaper, then bungled by pushing renewables and offering gross bribes to hook up, then bungled again by grossly over reacting to the "immediate and horrendous **Climate**change" fable, and now these private companies are having to pay the current State government all of the profits so that the abysmal qld state.debt is slightly better.

Government mismanagement and (government) privatisation are the same thing, so 1 & 2 are line ball. The notion of selling our assets to companies that will both lower prices and reward

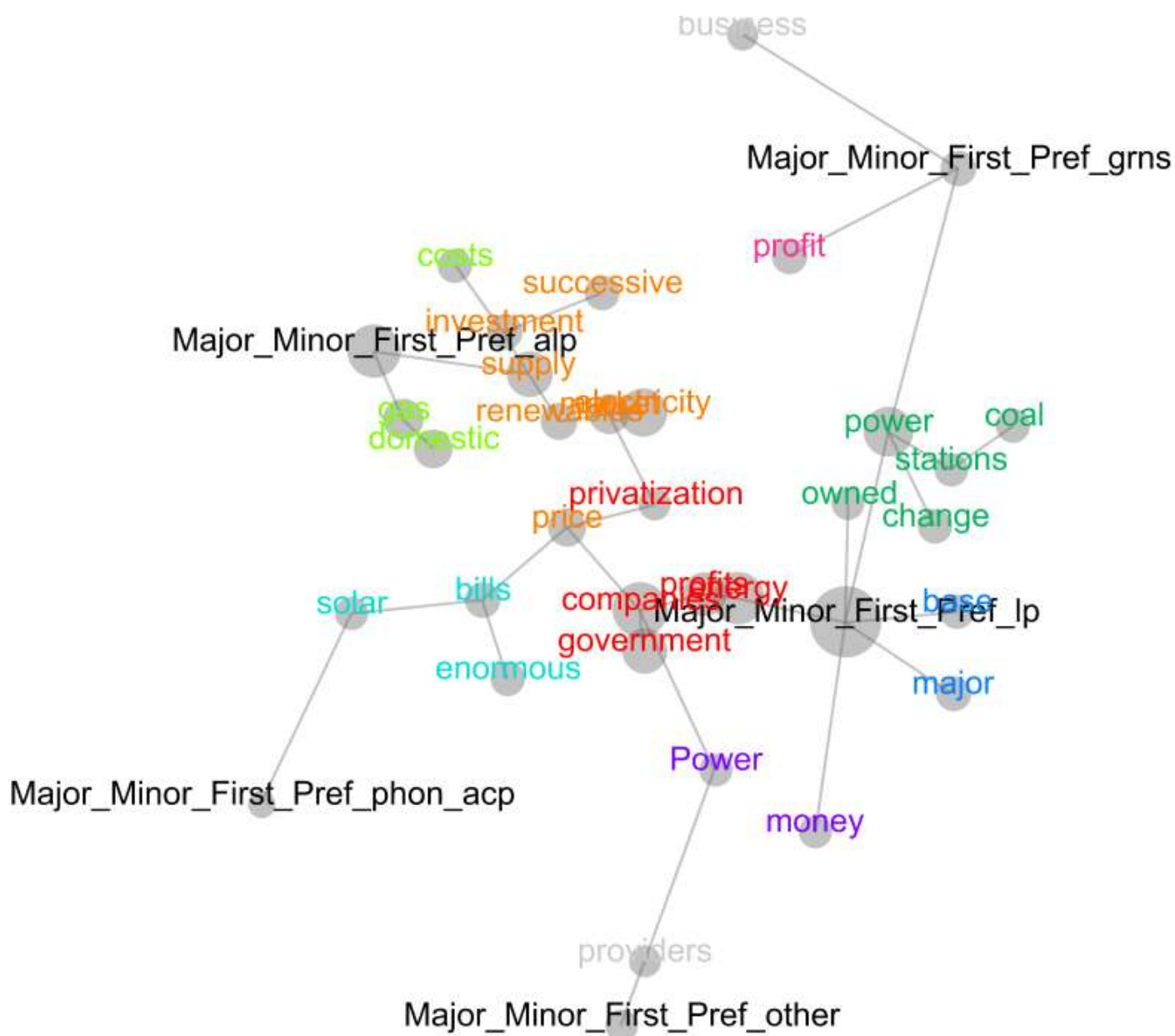
*shareholders with increased returns is a goofy fantasy and makes one wonder about **Cayman Island** bank accounts.*

*it's a concatenation of effects. **Governments** have been too keen to privatise, usually selling at below real value, setting up an ineffective regulator, which allowed excessive investment in networks, which led to most of the increase in power prices, with a built in mechanism to produce excess profits.*

*Any time you sell off a utility to a private company, be it foreign or domestic they will put profits first. And look at the gas farce, sold for a pittance with virtually none left for our own domestic use, these inept politicians need a size 10 boot up the backside, it's time they put **Australia** first.*

***Failure** to provide appropriate legislative framework for transition to cleaner energy sources. **Absence** of carbon pricing or similar; **Unregulated** export of gas; **Poorly** supervised private companies making wrong investment choices*

Power bills have risen significantly in the last 10 years. Please rank the following factors in the order you think they have contributed to this: **Profiteering**.



Verbatims

I do not have so much trouble with electricity as I have solar panels on the roof and buy my electricity from a small company which pays well for solar. My gas bills, on the other hand are enormous, I believe because the government has allowed the sale of our natural gas overseas and allows the companies producing it to raise the domestic price to match that which they can get overseas.

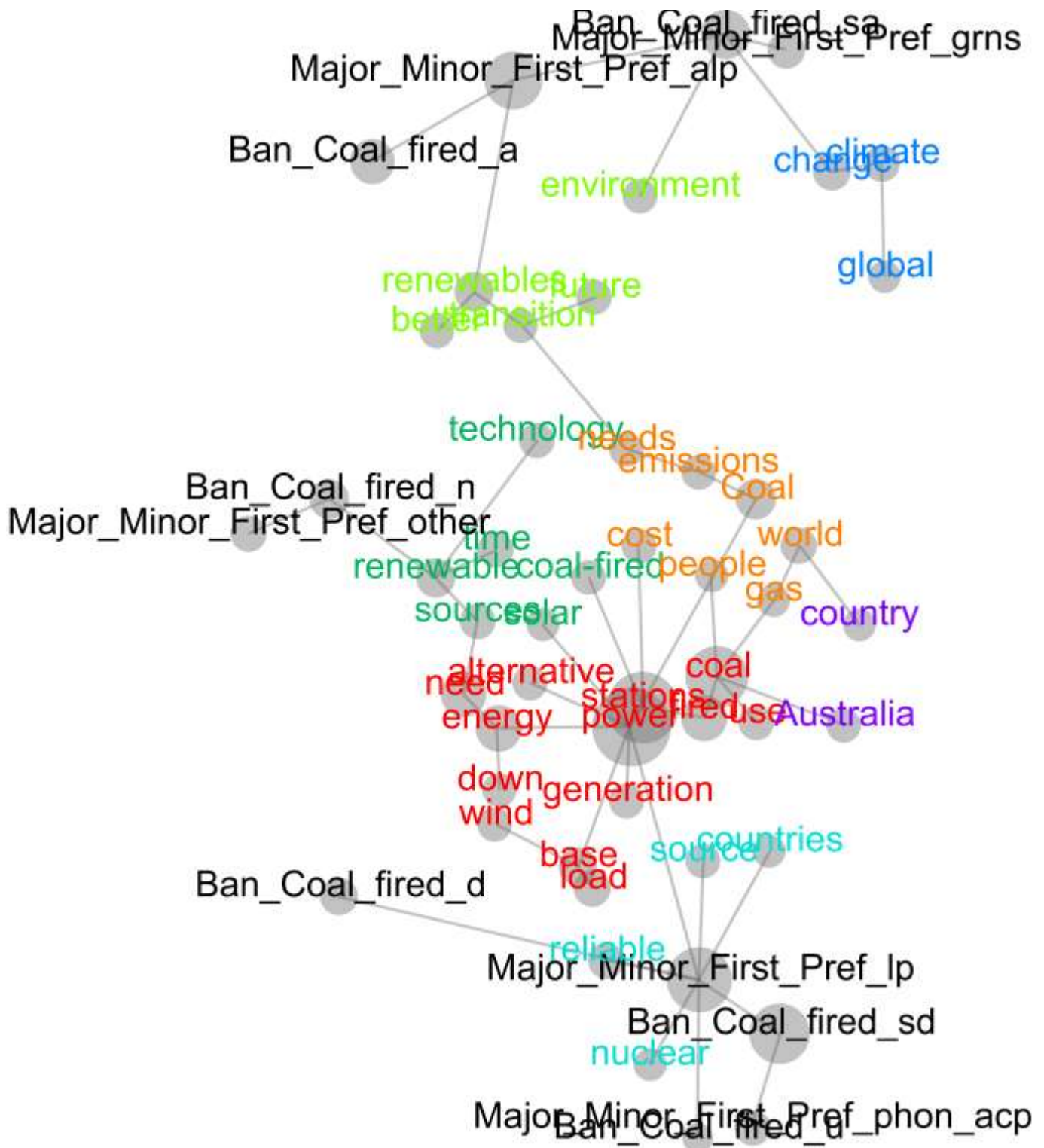
Companies have played the system to their advantage - and history will show that if we invest wisely in renewable energy, then electricity will be much less expensive. **Tony Abbott** started the rot when he claimed climate change and global warming are **BS** - since then we have had a lack of public and moral leadership that is necessary to take on the mainstream/traditional coal power lobby.

Because I have actually studied the situation and I see the gross pillaging of the market by the energy companies. By the way, three of your points (excess profits, privatization and government mismanagement) are really three parts of the same problem.

I have worked in the electricity industry for nearly 15 years and seen it all from the inside. The biggest issue is 'gentraders' that manipulate the market by deliberately reducing supply (by closing power stations) so they can charge more.

A big contributing factor not really listed above is the lack of planning by the energy providers. It's not like they didn't know the world was changing and they could have been planning and capitalising on the new options, but they've dug their heels in (or more likely buried their heads in their money pits) and that lack of foresight has caused the enormous problems.

How strongly do you agree or disagree that we should close all coal-fired power stations as soon as we can?



Verbatims

*ambivilant we should increase solar, wind, wave hydro etc generation and battery back up for peak demand periods coal supplies the base load maybe phase out over time maybe replace with green energy as they pass their working life note it takes 8 hours to fire up an electric generator so it's most economical running all the time before gas and green energy one was running on stand by huge wast of energy. a gas turbine only take 45 min to fire up - a huge energy saving electricity ought to be **CHEAPER** with gas back up and green energy production after the capital cost renewal energy has zero fuel cost something is wrong if we are being charged more*

We should retain the existing coal-fired stations as reliable sources of energy; technology has improved and reduced emissions form the newer ones; renewable power is not reliable and battery storage costs would be a huge outlay; and the on-going danger to the environment from the expiring batteries in the future is conveniently not discussed

it is the most economic power source we have-not subsidised so any normal person would never close down coal only stupid leaders like in south australia. china japan germany india uk indonesia and more are buliding new coal fired power stations and we have the best quality and cheapest price in the world.

The phrase 'as soon as we can' is pregnant with ambiguity. We need to close coal fired power stations in a time frame which allows renewable sources of energy to seamlessly take up the shortfall in energy production brought about by the closure of coal fired power stations.

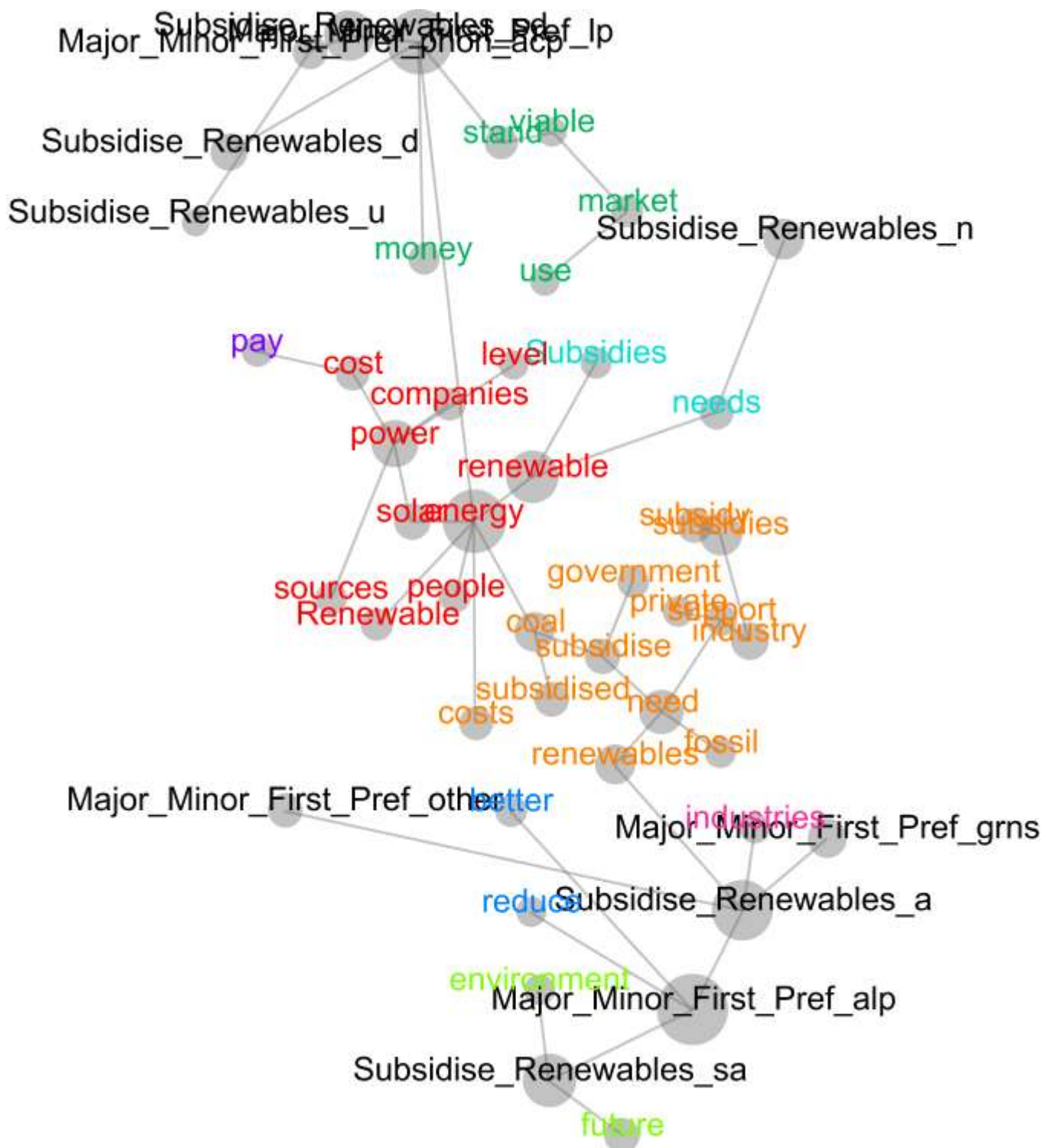
*I think we should CLOSE **DOWN** those coal-fired power stations that have come to the end of their "life" but we need something to take their place right NOW and, due to government neglect (over many years) by the **LNP** and the **ALP**, we have nothing to take their place! We **MUST** start concentrating on pouring millions into **SOLAR** and **WIND** energy whilst gradually shutting down the polluting, toxic use of redundant coal-fired power stations.*

Closing coal fired power stations is a national suicide note... coal is a plentiful low cost, predictable 24/7 energy source, irrespective of whether the sun is shining or not, or whether the wind is blowing or not.

*Most coal fired power stations in **Australia** are almost at the end of their lives; refurbishment will simply add to costs for short term gain. It is time we concentrated on developing 21st century technology for the new millennium.*

*That is just looney tune **Greenie** nonsense, we need base load coal fired power for some long time to come.*

How strongly do you agree or disagree that we should subsidise renewable energy?



Verbatims

Single families alone find it hard to bear the cost of solar or other power sources. Like private hospital cover, it is better for the public to be subsidized to use private systems rather than throw everyone onto a public system that has been proved (especially under labor) to be unable to cope.

We need to realise that old power sources are harmful to individuals as well as the environment, we need to harness other clean sources of energy. As well we should educate people that if the temperature goes over 35 degrees we do not need to turn on the air conditioner in the house or in the car.

*The **Government** need to subsidise renewables instead of promoting coal, and giving mining companies large subsidies for fuel etc. They used to give good subsidies for people with solar power but not so today.*

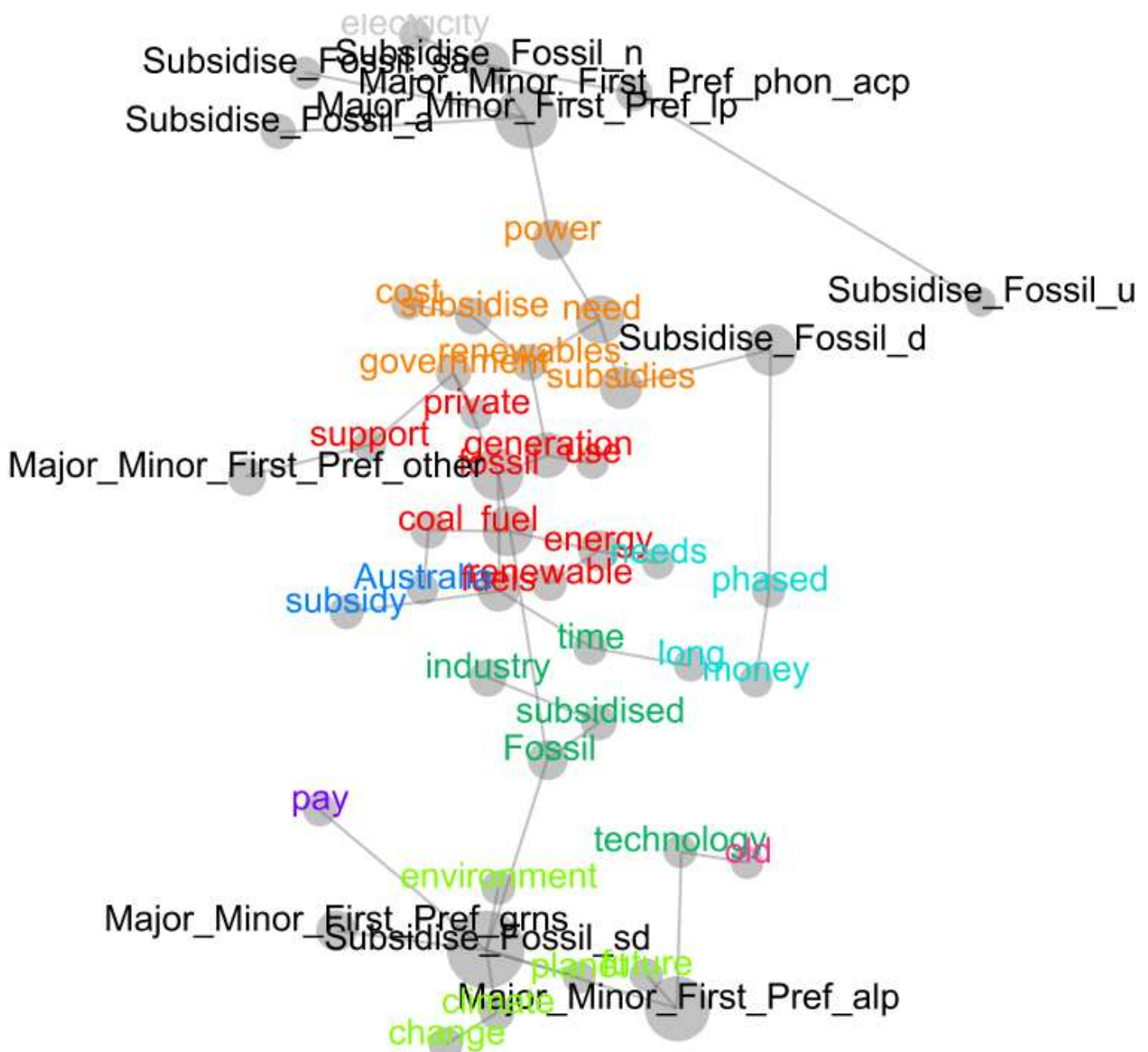
***Energy** generation should be based on the actual costs to operate it, not putting an artificial level on it. **Renewable** power equipment has costs associated in manufacturing the actual equipment (solar panels, wind turbines) it appears that these costs are negated by those promoting renewable over existing power generation systems.*

*The coal industry has been subsidised for years (although neither major player is likely to admit it) - why else has **Australia** enjoyed relatively cheap energy for decades? So the idea of subsidy is not new - and properly planned and managed subsidising of an alternatives makes sense.*

***Subsidise** the industry 'till it gets off the ground nation wide and we have more action as in **South Australia** where 50,000 homes will get subsidised solar panels. When a substantial part of the community can prove to the dinosaurs in **Canberra** that renewables are efficient and cheap and new battery technology can help to fill in the load at peak times then maybe they will get off their collective arses and do something ,like moving into the 21st century*

While there hardly any need, now, for subsidies, it should be government policy to encourage as swift a transition to renewable energy as possible, by any means necessary. The situation is so urgent and so potentially catastrophic, governments should be acting as if we were at war.

How strongly do you agree or disagree that we should subsidise fossil fuel generation?



Verbatims

we dont need to subsidies fossil fuel generation it should be able to sustain itself However the subsidies are all to renewables and the system is set up to get rid of the nature advantage of fossil fuel power generation so we may need to subsidise new low emission coal power stations so the lights stay on

*There is no need to do so given that fossil fuelled energy generation is obviously on the way out. I say this not on ideological grounds but on the increase in private sector interest and participation in renewable energy in **Australia** and elsewhere, and because of the increasing take up of solar and battery energy facilities by the community.*

Fossil fuel generation is well established, and needs no subsidies. What it does need is removal of the various taxes and other imposts imposed on it by government.

In the context of climate change and polluting the atmosphere fossil fuel energy generation should not be prolonged, as it would be, by subsidies.

Fossil fuel generation harms the environment and causes climate change.

Oh f*ck off **LNP** and your cronies like **Gina**; under NO **CIRCUMSTANCES** EVER SHOULD WE **SUBSIDISE FOSSIL FUEL GENERATION**. We are likely all going to be huddled in some post apocalyptic bunkers (those of us who aren't totally dependent on the nanny state that is) because of runaway climate change; the oceans are dying, there's mass extinctions, and the sycophantic greedy tw*ts in **Canberra** are fiddling while we burn.

*We were early to buy into solar power and haven't actually had a power bill to pay out for more than ten years, so it's easy for me to say that I would support an action to pay more on our bill to decrease **Australia's** emissions level but I suppose \$100 a month would be ok... perhaps a bit more. I'm sorry that this isn't a definite response to the question.*

*Actually I do not believe the assessment of the costs that the present **Govt** is claiming, BECAUSE I believe there is a **SERIOUS** conflict of interest with the fossil fuel energy companies and the financial support of some political parties or individual politicians. I suggest that the cost of transitioning to renewables will be a lot less than we are told.*

30

*production is extremely insignificant - while at the same time the biggest nations **China** and **India** and now **USA** will not be joining the campaign.*

*This is a typical neo-liberal question; putting all the blame for climate change on the individual instead of the corporates and governments. It's like **Australia's** tax regime; let the fatcats get away with anything and slug the little man.*

i would be prepared to pay what is necessary but i think the smallest amount would be difficult for most people unless the importance of prioritising this utility and its additional costs is well communicated.

With commitment from the government electricity bills could be reduced overnight if governments had the internal fortitude to charge electricity producers what they cost the country and if they limited the pay of electricity executives.

i dont believe in climate change. we produce 1.5% of world carbon emissions so what ever we do it wont make any difference.

I dont see how me paying more on my bill will achieve anything. We need to use policy levers for this change I am not interested in offsets - we need a fundamental change

*If it is that important it shouldnt need extra funds from the customer. Why should we, **Australians**, pay extra to try and combat a problem the rest of the world has had a much greater hand in creating?*

***If China**, the US, india and the middle east nations dont do anything about climate change then whatever we do is wasted money. **Money** that could be used to feed our poorer families rather than wasted on corporate profits that achieve \$0 in the long term.*