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The Hon Josh Frydenberg MP
Minister for Resources, Energy and Northern Development
Parliament House
CANBERRA ACT 2600

Dear Minister

COAG Energy Council Governance Review

As you know, the COAG Energy Council Governance Review Panel reported in its October report on governance review:

'... the Council and SCO appear to lack a focus on strategic direction and are therefore not providing effective and active policy leadership to the energy sector. Whilst the inherent structure of the Council cannot be altered, the Council can improve the visibility, transparency and accountability of its processes and operations ...'

The Energy Policy Institute fully agrees with this finding. The Institute considers that the Standing Committee of Officials is cumbersome and is an outdated management model.

The Institute has consistently articulated that it would be in the national interest for the States and Territories to have more of a say, and for other stakeholders to have some say, in energy policy formulation.

The Institute considers that this would be best achieved by the establishment of a properly-resourced National Energy Commission, functioning independently and transparently, that would report to the COAG Energy Council and would publish an annual report to the nine Parliaments.

The National Energy Board of Canada provides an example of a similar institution, although Australia has many differences from Canada and requires economy-specific treatment.

Establishing a National Energy Commission would however take considerable time.

As an interim measure, the Institute submits to the COAG Energy Council that the improvement of the visibility, transparency and accountability of the Energy Council should be pursued without further ado by a fit-for-purpose, professional secretariat with a name, an office address, a telephone number, an email address, a website, and specified executive and administrative personnel accountable to the Energy Council for the supervision and performance of the tasks and duties of the nine-member SCO.

The Institute supports all other recommendations of the Governance Review Panel in relation to the governance of the other market institutions, including a broadening of the role of the Australian Energy Markets Commission. The pursuit of these other recommendations would not be a substitute for the immediate bolstering of the Energy Council's own functions as we have submitted.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Pritchard', written in a cursive style.

Robert Pritchard
Executive Director
Energy Policy Institute of Australia

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