

Ministerial Council on Energy

Communiqué

Brisbane, 29 November 2002

The Ministerial Council on Energy held its third meeting in Brisbane on Friday, 29 November 2002.

The Council comprises Commonwealth, State and Territory Ministers with responsibility for energy policy. Energy ministers from New Zealand and Papua New Guinea have observer status on the Council.

The Council of Australian Governments (COAG) has charged the Council with a set of priority tasks that focus on energy market reform, in recognition that energy market reform is a key strategic issue and priority for Australia's future economic well-being.

A key element for Council consideration at today's meeting was the CoAG Independent review of Energy Market Directions.

The Council met with the Review's expert panel members; which includes, the Review Chair, the Hon Warwick Parer, and panel members, Mr Paul Breslin, Mr David Agostini and Mr Rod Sims and discussed the findings of the Review's draft report which was released on 15 November 2002.

The Review's final report is expected to be submitted by 20 December 2002. The Council will prepare a report to be submitted to COAG in mid-2003.

Other main issues discussed at today's meeting included:

Security of the Energy Sector

Ministers discussed the national response and processes that would be undertaken in the event of a threat to the security of the energy operations, including installations and supplies. Ministers noted the close links to on-going reviews of counter-terrorism responses, and moves to improve security of key infrastructure including energy infrastructure.

Review of Gas Access Regime

MCE agreed to the review of the Gas Access Regime (code and legislation) - and SCO were charged with developing draft terms of reference for consideration by Ministers for the review to be undertaken in 2003.

Standby Power Strategy

Today, the Council released its ten year strategy for addressing standby power for consumer products with the release of the publication "Money Isn't All You're Saving".

Australian governments have noted that standby power consumption accounted for up to 11.6% of Australia's household electricity usage, costing Australian households more than \$500 million and generating more than 5 million tonnes of carbon dioxide per annum, in 2000. This is equivalent to the greenhouse impact of more than one million cars. This is expected to grow rapidly in the next decade if left unchecked. The amount of electricity consumed by some appliances in standby mode is often startling. For example, the average home stereo uses 11.7 watts in operation, yet uses 9.5W in standby.

The strategy includes the implementation of "One Watt" standby target for appliances which has the potential to save an average individual household up to \$100 each per annum and reduce greenhouse gas emissions.

The Council's Standby Power Strategy is the culmination of considerable industry and community consultation. It demonstrates to suppliers both in Australia and internationally that excessive standby should be redressed through better design practice and other strategies; and demonstrates to consumers that Australian governments are acting to reduce excessive standby on their behalf.

MCE's Role in Greenhouse Issues

Tackling greenhouse emissions from the energy sector is an important element of Australia's greenhouse response strategy, as emissions from the sector make up nearly 70% of total emissions. The MCE is responsible for energy policy and its implementation, and provides an important forum for the discussion of the issues and their implications for energy production and consumption. In recognition of the importance of greenhouse issues in setting future national energy policy and programs undertaken by the Council, a standing agenda item for future Council meetings was established on the MCE's role in respect to development of national greenhouse policies and measures.

Mandatory Renewable Energy Target Review

The Mandatory Renewable Energy Target (MRET) is a key plank in the Government's greenhouse response and equally a significant step towards achieving sustainability in energy supply. The Council discussed the terms of reference for the forthcoming review of the Commonwealth *Renewable Energy (Electricity) Act 2000* in addition to those outlined in the Act. Details of the conduct of the review are expected to be announced before 18 January 2003 and it is expected that the Council will be a contributor to the Review.

Zero Emissions for Coal-Fired Power Generation

Dr Robin Batterham, Commonwealth Chief Scientist, provided Ministers with a presentation on "Getting Emissions (Way) Down, Stationary Power: A Key Target" focussing on the opportunities and potential for development of clean coal technologies, specifically coal gasification coupled with CO₂ capture and geological sequestration to be able to reduce or eliminate emissions from power stations.

The next meeting of the Ministerial Council on Energy is scheduled for April 2003.

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