

# COAG Standing Council on Energy and Resources

## Terms of Reference

COAG Standing Councils are established to:

- a) achieve COAG’s strategic themes by pursuing and monitoring priority issues of national significance which require sustained, collaborative effort; and
- b) address key areas of shared Commonwealth, State and Territory responsibility and funding.

The Standing Council will pursue the following COAG strategic themes as its major focus areas:

1. A National Economy driven by our Competitive Advantages
2. A Sustainable and Liveable Australia
3. Closing the Gap for Indigenous Australians

<b>Chair</b>	Commonwealth Minister for Energy, Resources and Tourism
<b>Membership</b>	Commonwealth, State, Territory and New Zealand Ministers with responsibility for energy and resource matters.
<b>Scope of Standing Council</b>	<p>The Council will seek to ensure the safe, prudent and competitive development of the nation's mineral and energy resources and markets to optimise long-term economic, social and environmental benefits to the community. The Council will do this by:</p> <ul style="list-style-type: none"> <li>• facilitating national oversight and coordination of governance, policy development and program management to address the opportunities and challenges facing Australia’s energy and resources sectors into the future;</li> <li>• providing national leadership on key strategic issues and effectively integrating these strategic priorities into Government decision-making in relation to the energy and resources sectors; and</li> <li>• enhancing national consistency between regulatory frameworks to reduce costs and improve the operation of the energy and resources sectors.</li> </ul> <p>The Council has particular policy responsibilities for:</p> <ul style="list-style-type: none"> <li>• oversight of Australian energy markets, including for electricity and gas, particularly in terms of enhancing the efficiency of energy supply. This covers joint energy efficiency measures which act directly on the generation, distribution, transmission, retail or delivery of energy, or require changes to the National Electricity or Gas rules and associated laws and regulations;</li> <li>• energy security and emergency management of national liquid fuels emergencies;</li> <li>• progressing constructive and compatible changes to the basic legislative and policy framework for the sustainable development of resources; and</li> <li>• facilitating the economically competitive development of Australia’s resources.</li> </ul>

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	<p>The Council’s work program will focus on the following broad themes:</p> <ul style="list-style-type: none"> <li>• Governance and regulatory frameworks;</li> <li>• Developing secure and competitive markets;</li> <li>• Ensuring the efficient provision of monopoly network services;</li> <li>• Safety and community engagement;</li> <li>• Technology innovation;</li> <li>• Market access and demand;</li> <li>• Environmental sustainability, including monitoring the impacts of climate change policies (such as national carbon pricing) on the energy sector; and</li> <li>• Energy affordability.</li> </ul> <p>The Council will work actively with the Select Council on Climate Change and other Standing Councils on matters of mutual interest, including national standards for energy efficiency.</p>
<p><b>Priority Issues of National Significance<sup>1</sup></b></p>	<p>The Council’s priority issues are:</p> <ol style="list-style-type: none"> <li>1. Progressing consistent upstream petroleum administration and regulation standards, (including through the establishment of a National Offshore Petroleum Regulator and responding to the Productivity Commission Review of Regulatory Burden on Upstream Petroleum (Oil &amp; Gas) Sector);</li> <li>2. Addressing issues impacting on investment in resources exploration and development, including land access, community, infrastructure, and labour;</li> <li>3. Developing a nationally consistent approach to clean energy technology development and deployment, including Carbon Capture and Storage;</li> <li>4. Addressing impediments to, and promoting the commercial adoption of, demand-side response in Australian markets;</li> <li>5. Promoting efficiency through the development of consistent national frameworks where appropriate, including the implementation of the National Energy Customer Framework, Intergovernmental Agreement (IGA) on Energy Supply Industry Safety and the National Mine Safety Framework;</li> <li>6. Assessing existing market mechanisms and regulatory frameworks (including governance of network regulation) to ensure facilitation of adequate, efficient, and timely investment in, and operation of, generation and networks; and</li> <li>7. Identifying changes required to ensure market resilience and energy</li> </ol>

<sup>1</sup> Priority issues of national significance are reform-focused and warrant oversight by Ministers and by COAG. They will change over time and do not necessarily encompass all aspects of the work of the Council.

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	<p>security, and ongoing testing of national emergency management arrangements for liquid fuel, electricity and gas.</p>
<b>Cross-Cutting Issues</b>	<p>In pursuing its priority issues of national significance, the Council will take into account the cross-cutting issues of Indigenous disadvantage, skills, productivity, gender equity, regional Australia, infrastructure development and climate change.</p>
<b>Legislative and Governance Responsibilities</b>	<p>Responsibilities under the following instruments:</p> <ul style="list-style-type: none"> <li>• Offshore Petroleum and Greenhouse Gas Storage Act 2006</li> <li>• National Electricity (South Australia) Act 1996</li> <li>• National Gas (South Australia) Act 2008</li> <li>• Australian Energy Market Commission Establishment Act 2004 (SA)</li> <li>• National Energy Retail Law (South Australia) Act 2011</li> <li>• Statutes Amendment (National Energy Retail Law) Act 2011.</li> </ul> <p>Responsibilities for the following statutory agencies and market bodies:</p> <ul style="list-style-type: none"> <li>• National Offshore Petroleum Safety Authority (NOPSA)</li> <li>• Australian Energy Market Commission (AEMC)</li> <li>• Australian Energy Regulator (AER)</li> <li>• Australian Energy Market Operator (AEMO).</li> </ul> <p>The Council commits that by July 2016, specific references to the former Ministerial Council in the above governing instruments will be changed to refer instead to the 'Ministers responsible for [.....]'.</p>
<b>National Agreements, National Partnerships and Intergovernmental Agreements</b>	<p>Responsibilities under the following National Agreements and National Partnerships:</p> <ul style="list-style-type: none"> <li>• Australian Energy Market Agreement (amended 2009)</li> <li>• Intergovernmental Agreement on Energy Supply Industry Safety (proposed).</li> </ul>
<b>Operations</b>	<p>COAG considers that, as a general rule, Councils would not require more than two face to face meetings a year.</p> <p>Meetings of Councils and officials will utilise the TelePresence network as much as possible to meet and to transact business, to minimise environmental impacts and meeting and travel costs.</p> <p>Other operational arrangements are to be made by the Ministerial Council and do not require COAG endorsement.</p>
<b>Decision-</b>	<p>Councils will make decisions on the basis of consensus wherever possible, unless</p>

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<b>Making</b>	specific voting rules are included in relevant governing instrument(s). Where necessary, the principle of one vote per jurisdiction would apply.
<b>Reporting</b>	The Council will provide COAG with an annual status report, due 31 July, on: <ul style="list-style-type: none"><li>• the progress/completion of its priority issues against agreed milestones;</li><li>• the contribution made towards meeting the Closing the Gap targets;</li><li>• any additional priorities that it believes should be addressed and submitted for COAG consideration;</li><li>• key outputs or achievements from other inter-jurisdictional activities; and</li><li>• decisions taken as a result of its legislative or governance responsibilities and changes made to legislation or agreements.</li></ul> The Council will also provide a draft work plan for the following financial year annually by 31 May.

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### Inaugural Membership as at 17 September 2011

Jurisdiction	Minister/s	Role
Commonwealth	The Hon Martin Ferguson AM, Minister for Resources and Energy	Chair
New South Wales	The Hon Chris Hartcher, Minister for Resources and Energy	Member
Victoria	The Hon Michael O'Brien, Minister for Energy and Resources	Member
Queensland	The Hon Stephen Robertson, Minister for Energy and Water Utilities	Member
	The Hon Stirling Hinchliffe, Minister for Employment, Skills and Mining	Member
Western Australia	The Hon Norman Moore, Minister for Mines and Petroleum	Member
	The Hon Peter Collier, Minister for Energy	Member
South Australia	The Hon Tom Koutsantonis, Minister for Mineral Resources Development	Member
	The Hon Michael O'Brien, Minister for Energy	Member
Tasmania	Mr Bryan Green, Minister for Energy and Resources	Member
Australian Capital Territory	Mr Simon Corbell, Minister for Environment and Sustainable Development	Member
Northern Territory	The Hon Delia Lawrie, Treasurer	Member
	The Hon Kon Vatskalis, Minister for Primary Industries, Fisheries and Resources <i>(Attendance decided on a case-by-case basis)</i>	Member
New Zealand	The Hon Hekia Parata, Acting Minister of Energy and Resources	Member
	The Hon David Carter, Minister of Agriculture (has an interest)	

\* Where more than one member has been nominated, there will be one vote per jurisdiction.