



12 May 2020

COAG Energy Council
Independent review of the Energy Security Board

Sent by email to: Energystrategicpolicy@industry.gov.au

To Whom It May Concern,

Independent review of the Energy Security Board

I am writing to you regarding the ETU's views on the effectiveness and performance of the Energy Security Board (ESB).

The ETU has some major concerns with the processes and conduct associated with the ESB, including the;

- barriers to meaningful participation for some industry stakeholders,
- constrained modelling approach failing to explore the most optimal approach, and
- lack of assessment of regulatory impacts of changes and the inefficiencies they are driving in workplaces.

Noting that the ESB has been in operation since 2017, the ETU calls on COAG to review its absence of engagement and consultation processes with energy industry workers and their representatives to identify shortcomings and ensure proper and equitable participation for all energy stakeholders into the future.

Barriers to Participation

The processes associated with engagement and consultation with the ESB are deficient. The ESB makes no effort to engage with or consider the impacts on workers of its decisions and recommendations.

The ESB processes are absent any meaningful engagement with energy industry workers and their Unions. There is significant disparity in the level of engagement with stakeholders with selected organisations receiving briefings, phone calls and emails about key issues while other stakeholders, such as our Union, are left to monitor a myriad of complex websites hoping to find out when an opportunity to contribute may arise.

Australia is in the midst of a radical energy transition that is having a disproportionate impact on energy industry workers and their communities, yet they are almost unilaterally excluded from meaningful engagement and consultation.

Constrained Modelling

Australia needs a rapid deployment and transition to renewable energy sources. The current transition is fragmented and poorly planned. If the ESB is in fact attempting to explore ways to achieve better security, increased reliability, reduced prices for consumers and lower emissions then it is clearly a major deficiency that its work doesn't explore the impacts of privatisation, marketisation and corporatisation of the energy sector.

Public ownership and significant regulatory reform should be assessed through the ESB processes especially considering the significant academic work available demonstrating the inefficiencies, profiteering and cost implications associated with the current national electricity market.

That the ESB largely contemplates 'business as usual' in this regard means the entire process is blinkered from the start and misses huge opportunities for a cheaper, more reliable and better planned energy transition that serves the interests of consumers, workers and the Australian community.

Lack of Analysis of Regulatory Impacts

Australia's energy sector has seen significant reforms in recent years, sometimes changes are occurring weekly. Many changes are driving deep inefficiencies in energy businesses whilst not addressing the many cost drivers in the sector.

Recent meetings and correspondence between the ETU and the Australian Energy Regulator (AER) for example, showed that the AER does no regulatory impact assessments on most of the major changes it introduces to the sector.

Meanwhile the Australian Energy Market Operator (AEMO) is prepared to plan the future of our energy system based on costings which preference technologies that don't even exist over technologies that exist, are costed, and are being deployed on a large scale internationally.

In fact, various changes imposed on workers in the energy sector have led to deep inefficiencies to the way work is scheduled and performed and drives poor performance outcomes from senior managers in energy businesses. Over time, this has led to deep cuts to maintenance and capital expenditure budgets, often at the expense of workers and public safety while delivering a substandard network that isn't up to the task of connecting the new renewable generation being constructed in either a timely or cost efficient manner.

The effects of climate change on the energy sector, including through increased prevalence and severity of natural disaster combined with a poorly transitioning energy industry which, coupled with increasingly hostile workplace laws, is eroding the energy industry's historical profile of delivering long term, stable and secure jobs, services and social benefits to the Australian people. The negative impacts of these combined events are escalating, and these impacts are often being felt most acutely in regional communities.

Australian workers are at the forefront of these impacts but are being excluded from the processes, discussions and consultations around solutions needed in this energy transition.

Conclusion

In closing I would like to reiterate the ETU's concern with the lack of meaningful engagement with energy industry workers and their representatives. There is an untapped resource of industry knowledge and expertise that the ESB must consider how to better engage and consult with.

Absent this meaningful engagement, the ESB in its current form will do little more than entrench much of the status quo.

Should you wish to discuss the matters we have raised further, please feel free to contact our National Policy Officer Trevor Gauld at trevor@etuaustralia.org.au.

Yours Sincerely,



Allen Hicks
National Secretary