Politics corner

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As some readers will know my dad was a NSW MLA for from 1973-78 representing Northern Tablelands, Mum was the first female Mayor of Armidale serving as Mayor from 1988 to 1993 having been elected to council in 1983. Even further back a relative WW Killen was one of the early luminaries in the Country Party in Australia.

Hanging around politicians and talking politics since I was a child has taught me that the obverse of Clausewitz’s dictum that War is just politics carried on by other means also has some truth, and equally that politics is played for keeps. One doesn’t take prisoners.

Listening to politicians talk no more makes you qualified to be in politics than going to a concert makes you a musician or watching lots of sport and knowing a famous sports person makes you any good on the field. Equally a lack of academic study in the discipline means I probably am missing a few of the theoretical foundations on which, in many fields, a deeper understanding is often built.

So having outlined my lack of understanding….

## The only agenda in Federal Politics is gaining and keeping power

The ALP has accomplished a reasonable amount in energy policy. Specific achievements are:

* Money for transmission, allocated to CEFC but very little spent so far;
* Safeguards facility with first teeth.
* Fuel standards for vehicles.
* Capacity Investment Scheme. Impact of this is yet to be seen. There is a divided opinion in industry circles as to whether this policy will make much difference.
* Other minor policy such as grants for business to decarbonise equipment.

I’ve probably missed something important, in particular that the Federal ALP was lucky in that electricity is generally a State issue and the States and the Federal Govt during the past few years have seen eye to eye on energy policy.

One view of the policy decisions is that for the most part the benefits need more time to show up. On the negative side the Goverment said electricity prices would come down and whether you look at consumer or whole sale prices they have not. If futures were a good guide that current expectations are that m

# Electricity demand in the NEM is poorly analysed

I am a critic of the way the electricity industry is structured in Australia. At every turn one runs into a system of many bosses, many committees and very few people with accountable responsibilities. If a company ran the NEM we would have stakeholders, a Board with a non executive Chair and a CEO.

In the NEM we used to have COAG, and then thanks partly to Angus Taylor, that became dysfunctional. So now we have the less formal but arguably more useful “Energy Ministers’ meetings”. Federal and State Goverment federation is a requirement because Australia’s global carbon reduction commitment is a Federal Policy but for the most part electricity is a State Responsibility.

Since again the consensus view is that the way to decarbonise Australia is to decarbonise electricity and then electrify transport and industrial heat and other energy consuming processes. This is essentially a Federal task and is seen in the Safeguards mechanism for large emitters and in national fuel standards.

Despite the Finkel report within the NEM there remain three bodies AEMC, AER and AEMO. AEMO is owned by Goverments (both Federal and State) and by industry participants (generators and some consumers). The AEMC and and AER are essentially Federal Goverment bodies, the AER having come into existence when the States handed over their network regulatory powers to the Federal Govt. I think, but I might be wrong that the AEMC is distantly part of the ACCC but in any case primarily sets the rules by which the National Electricity Objective is to be achieved.

Anyone reading the above will quickly perceive I am not a lawyer but what I see is there are many bodies.

So the question is what does success look like? And who is responsible for achieving that “success”. The answer clearly is there is no single definition of success and there is no single person or body responsible for achieving it.

One of the many achievements of the Finkel report was to briefly put a focus on the electricity trilemma, decarbonisation, price and reliability and in practice achieving acceptable on outcomes on those three objectives would likely be regarded as success by most stakeholders/