



# Department of Energy and Public Works – Energy Division Regulator Performance Framework

Annual Report 2020-21

## Introduction

The Queensland Government's Regulator Performance Framework (the Framework) was introduced in May 2019 as a key element of the Better Regulation Strategy. The Framework consists of five model practices, each accompanied by three supporting principles that are intended to minimise the burden on regulated businesses.

The Department of Energy and Public Works (EPW) Regulator Performance Annual Report 2020-21 demonstrates the implementation of the Framework.

EPW is Queensland's regulator for the biofuels mandates under the *Liquid Fuel Supply Act 1984* and administers the *Electricity Act 1994* and *Gas Supply Act 2003*. EPW's role is to:

- Administer biofuels mandates and maintenance of the fuel seller register under the *Liquid Fuel Supply Act 1984*
- License reticulated natural gas distribution and electricity generation, transmission, and distribution
- Monitor compliance and, as necessary, taking disciplinary action against licence holders.

	<b>Regulator model practices and supporting principles</b>	<b>Outline evidence (including examples or case studies) and relevant information to demonstrate the extent to which EPW regulatory practices align with the regulator model practices throughout 2020-21</b>	<b>Outline any actions taken in 2020-21, or currently being taken by EPW, to improve regulatory activities and business practices to reflect the regulator model practices.</b>
1.	<p><b>Ensure regulatory activity is proportionate to risk and minimises unnecessary burden</b></p> <ul style="list-style-type: none"> <li>• A proportionate approach is applied to compliance activities, engagement and regulatory enforcement actions.</li> <li>• Regulations do not unnecessarily impose on regulated entities.</li> <li>• Regulatory approaches are updated and informed by intelligence gathering so that effort is focused on risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Fuel seller compliance with the biofuels mandates under the <i>Liquid Fuel Supply Act 1984</i> was proportionate, consistent, and fair in accordance with the principles prescribed in the Biofuels Compliance and Enforcement Strategy and Biofuels Exemption Guideline.</li> <li>• A review of Queensland's energy legislation was undertaken from mid-2018 until 2020. The preferred approach for energy licensing identified by this review was the removal of duplication between state licensing and national registration processes.</li> <li>• EPW reviewed its licensing processes to minimise such duplication, make application forms simpler and easy to use, and streamline approval processes.</li> <li>• Energy's compliance plan (refer former <a href="https://resources.qld.gov.au">DNRME compliance plan 2020-21 (resources.qld.gov.au)</a>) uses a risk-based approach and uses a range of regulatory tools and methods to encourage compliance and address issues.</li> </ul>	<ul style="list-style-type: none"> <li>• EPW is continuing its business improvement initiatives to minimise imposition on regulated entities to through more efficient engagement, use of informed internal intelligence, and consistent application of regulatory guidance material and frameworks.</li> <li>• Review of the Electricity Regulation 2006 and Gas Supply Regulation 2007 – a further review of both regulations to be considered in 2021-22 to ensure the regulations remain current and are suited to stakeholders needs.</li> <li>• Refresh of the departmental 2020-24 compliance framework, compliance strategy and compliance plan to provide a risk-based, transparent and consistent approach to how we regulate Queensland's energy industry.</li> </ul>

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2.	<p><b>Consult and engage meaningfully with stakeholders</b></p> <ul style="list-style-type: none"> <li>Formal and informal consultation mechanisms are in place to allow for the full range of stakeholder input and Government decision making circumstances.</li> <li>Engagement is undertaken to support the regulator develop a genuine understanding of the operating environment of regulated entities.</li> <li>Collaborative relationships are established with stakeholders, including other regulators, to promote trust and improve the efficiency and effectiveness of the regulatory framework.</li> </ul>	<ul style="list-style-type: none"> <li>EPW proactively engages with its stakeholders and prospective applicants and provides opportunities for them to discuss application processes and annual reporting requirements.</li> <li>EPW leverages its relationships with other regulatory and market bodies to direct stakeholders and prospective license holders to the department for further information.</li> <li>EPW uses a range of informal and formal communications pathways to engage with stakeholders around the biofuels mandates and associated regulatory requirements.</li> <li>EPW has engaged with the retail fuel seller peak body (ACAPMA) to discuss stakeholder concerns and opportunities for improvement in departmental regulatory processes.</li> </ul>	<ul style="list-style-type: none"> <li>Internal review of regulatory communications resulted in consultation with the peak body industry representative in February 2021, after which time revised communications templates were piloted and successfully implemented.</li> <li>EPW facilitated the first meeting of the Ministerial Fuels Council, to promote engagement amongst key stakeholders regarding future fuels.</li> <li>Continued engagement with stakeholders via a dedicated energy regulation mailbox.</li> <li>In 2020-21 EPW held approximately seven meetings with prospective applicants for new authorities to guide and answer questions in relation to the application process.</li> </ul>
3.	<p><b>Provide appropriate information and support to assist compliance</b></p> <ul style="list-style-type: none"> <li>Clear and timely guidance and support is accessible to stakeholders and tailored to meet the needs of the target audience.</li> <li>Advice is consistent and, where appropriate, decisions are communicated in a manner that clearly articulates what is required to achieve compliance.</li> <li>Where appropriate, regulatory approaches are tailored to ensure compliance activities do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice.</li> </ul>	<ul style="list-style-type: none"> <li>EPW recognises the importance of educating its stakeholders to comply with the <i>Liquid Fuel Supply Act 1984</i>. EPW provides a range of sources of information to assist stakeholders in navigating the application processes and compliance with license conditions.</li> <li>The Energy Division publishes guidance for fuel sellers to understand their obligations under the biofuels mandates, enhance voluntary compliance, and demonstrate transparency.</li> <li><a href="#">Biofuels Compliance and Enforcement Strategy</a> (includes risk factors, triggers for compliance action, risk assessments)</li> <li><a href="#">Biofuels Exemption Guideline</a> (includes regulatory performance targets).</li> <li><a href="#">Reasonable Steps for Fuel Sellers Guideline</a> (includes guidance and advice for fuel sellers to improve efficiency and consistency).</li> </ul>	<ul style="list-style-type: none"> <li>EPW continues to support stakeholders through consistent and prompt service delivery.</li> <li>EPW provided rapid integration of COVID-19 material into regulatory processes and stakeholder communications and acknowledging stakeholder requests for additional consideration and assistance as requested where justifiable.</li> <li>New forms and guidance material published on 'Business Queensland' website to assist prospective applicants with preparing and applying for various authorities under the <i>Gas Supply Act 2003</i>.</li> <li>Annual correspondence to license holders regarding their obligations for annual reporting and payment of fees.</li> <li>Introduction of new website landing page (business Queensland) and web content about EPW's (Energy Division) regulatory role.</li> </ul>

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4.	<p><b>Commit to continuous improvement</b></p> <ul style="list-style-type: none"> <li>Regular review of the approach to regulatory activities, collaboration with stakeholders and other regulators, to ensure it is appropriately risk based, leverages technological innovation and remains the best approach to achieving outcomes.</li> <li>To the extent possible, reform of regulatory activities is prioritised based on impact on stakeholders and the community.</li> <li>Staff have the necessary training and support to effectively, efficiently and consistently perform their duties.</li> </ul>	<ul style="list-style-type: none"> <li>As part of stakeholder engagement, EPW seeks feedback on possible business improvements.</li> <li>Management engages with staff on a regular basis to pursue development opportunities that support improved stakeholder engagement.</li> <li>The <a href="#">review of the biofuels mandate</a> undertaken in 2019 was finalised, with nil major changes recommended.</li> </ul>	<ul style="list-style-type: none"> <li>EPW continued to deliver regulatory functions consistently and efficiently.</li> <li>Amalgamation of the assessment and compliance regulatory functions into a unified regulation team resulted in increased compliance and assessment regulatory efficiencies.</li> <li>Implemented staff training in Statutory Interpretation as part of agreed staff development plans.</li> <li>Review of staff Development Agreements to assist staff in their development and training requirements.</li> </ul>
5.	<p><b>Be transparent and accountable in actions</b></p> <ul style="list-style-type: none"> <li>Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders.</li> <li>Decisions are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.</li> <li>Indicators of regulator performance are publicly available.</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Quarterly fuel seller statistics</a> are published on the Business Queensland website to enhance transparency and information accessibility for fuel sellers and consumers.</li> <li><a href="#">Annual Service Delivery Statements (SDS) performance</a> is published on EPW's compliance with the biofuel's exemption SDS measure.</li> <li>The <a href="#">Biofuels Exemption Guideline</a> contains target timeframes for fuel seller's reference.</li> <li>The timeframes for regulatory approvals are outlined in the guideline documents available on the website. Performance against SDS measures relating to licensing is published in the department's annual report.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of detailed information on the fuel seller statistics website is currently underway, with the intent to begin publishing fuel sales volumes by local government area.</li> <li>Preliminary discussion around enhancing functionality of the fuel seller register's portal is in the planning and discussion stage, to progress further after finalization of migration as part of the February 2020 Machinery of Government changes.</li> <li>On September 8, 2021, the Department published the 2020-21 Annual Report outlining its activities and achievements – the report complies with the prescribed requirements of the <i>Financial Accountability Act 2009</i>, the Financial and Performance Management Standard 2019, and the detailed requirements set out in the Annual Report Requirements for Queensland Government Agencies.</li> </ul>