



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

Annual Report 2021-22

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 with each accompanied by three supporting principles that are intended to minimise the burden on regulated businesses.

The Department of Energy and Public Works (the Department) Regulator Performance Annual Report 2021-22 demonstrates the implementation of the Framework.

The Department 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*. The department's role is to:

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

	Regulator model practices and supporting principles	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 2021-22	Outline any actions taken in 2021-22, or currently being taken by EPW, to improve regulatory activities and business practices to reflect the regulator model practices.
1.	<p>Ensure regulatory activity is proportionate to risk and minimises unnecessary burden</p> <ul style="list-style-type: none"> • A proportionate approach is applied to compliance activities, engagement and regulatory enforcement actions. • Regulations do not unnecessarily impose on regulated entities. • Regulatory approaches are updated and informed by intelligence gathering so that effort is focused towards risk. 	<ul style="list-style-type: none"> • Fuel seller compliance with the biofuels mandates under the <i>Liquid Fuel Supply Act 1984</i> is proportionate, consistent, and fair and is undertaken in accordance with the principles set out in the <i>Biofuels Compliance and Enforcement Strategy</i> and <i>Biofuels Exemption Guideline</i>. • Energy's compliance plan 2021-22 uses a risk-based approach and a range of regulatory tools and methods to encourage compliance and address issues. 	<ul style="list-style-type: none"> • EPW is continuing its business improvement initiatives to reduce unnecessary regulatory impacts on regulated entities through more efficient engagement, use of informed internal intelligence, and consistent application of regulatory guidance material and frameworks. • EPW is undertaking a review of its regulatory actions to ensure resources are focused upon risk. • EPW completed a self-assessment against the 'Good Regulatory Practices' set out by the Queensland Audit Office to identify areas for improvement.
2.	<p>Consult and engage meaningfully with stakeholders</p> <ul style="list-style-type: none"> • Formal and informal consultation mechanisms are in place to allow for the full range of stakeholder 	<ul style="list-style-type: none"> • EPW uses a range of informal and formal communications pathways to engage with stakeholders around the biofuels mandates and associated regulatory requirements. This includes formal decisions, 	<ul style="list-style-type: none"> • EPW undertook targeted consultation with high-risk stakeholders around regulatory requirements to facilitate information sharing and achieve better regulatory outcomes.

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	<p>input and Government decision making circumstances.</p> <ul style="list-style-type: none"> Engagement is undertaken in ways that help regulators develop a genuine understanding of the operating environment of regulated entities. Cooperative and collaborative relationships are established with stakeholders, including other regulators, to promote trust and improve the efficiency and effectiveness of the regulatory framework. 	<p>educational letters and emails, engagement meetings, and telephone discussions.</p> <ul style="list-style-type: none"> EPW proactively engages with its stakeholders and prospective applicants and provides opportunities for them to discuss application processes and annual reporting requirements. 	<ul style="list-style-type: none"> EPW engagement with the Regulatory Systems and Operational Policy team of the New Zealand Environmental Protection Authority took place in February 2022, to share how Queensland's biofuels mandates work so as to assist New Zealand's rollout of its new legislation. The engagement has provided a new network where the Queensland government will seek to learn from New Zealand's regulatory framework for potential improvement opportunities. EPW also commenced engagement with regulators and policy makers in the Australian Government Department of Climate Change, Energy, the Environment and Water to share understandings of regulatory activities on fuel sellers. EPW continued engagement with stakeholders via a dedicated energy regulation inbox. In 2021-22, EPW held meetings with prospective applicants for new authorities to guide and answer questions in relation to the license application process.
3.	<p>Provide appropriate information and support to assist compliance</p> <ul style="list-style-type: none"> Clear and timely guidance and support is accessible to stakeholders and tailored to meet the needs of the target audience. Advice is consistent and, where appropriate, decisions are communicated in a manner that clearly articulates what is required to achieve compliance. Where appropriate, regulatory approaches are tailored to ensure compliance activities do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice. 	<ul style="list-style-type: none"> The Energy Division publishes guidance for fuel sellers to understand their obligations under the biofuels mandates, enhance voluntary compliance, and demonstrate transparency. The Biofuels Mandate Compliance and Enforcement Strategy is also publicly available. EPW provides a range of sources of information, such as opportunities to meet with the department as well as guidance material to assist stakeholders in navigating the application processes and compliance with license conditions. Biofuels Compliance and Enforcement Strategy (includes risk factors, triggers for compliance action, risk assessments) 	<ul style="list-style-type: none"> EPW continues to support stakeholders through consistent and prompt service delivery. 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. Updated forms and guidance material published on 'Business Queensland' website to assist prospective applicants with preparing and applying for various authorities under the <i>Electricity Act 1994</i> and the <i>Gas Supply Act 2003</i>. Annual correspondence to license holders regarding their obligations for annual reporting and payment of fees.

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		<ul style="list-style-type: none"> • Biofuels Exemption Guideline (includes regulatory performance targets) • Reasonable Steps for Fuel Sellers Guideline (includes guidance and advice for fuel sellers to improve efficiency and consistency) 	
4.	<p>Commit to continuous improvement</p> <ul style="list-style-type: none"> • 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. • To the extent possible, reform of regulatory activities is prioritised on the basis of impact on stakeholders and the community. • Staff have the necessary training and support to effectively, efficiently and consistently perform their duties. 	<ul style="list-style-type: none"> • The Queensland Energy and Jobs Plan includes a deliverable action for EPW to create a Fuels Strategy, which will include consideration of the role of the regulatory framework in facilitating future fuels uptake in Queensland. 	<ul style="list-style-type: none"> • EPW continued to deliver regulatory functions consistently and efficiently. • Amalgamation of the assessment and compliance regulatory functions into a unified regulation team resulted in increased compliance and assessment regulatory efficiencies. • Reviews of staff development agreements assisted staff in their development and training requirements.
5.	<p>Be transparent and accountable in actions</p> <ul style="list-style-type: none"> • Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders. • Decisions are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions. • Indicators of regulator performance are publicly available. 	<ul style="list-style-type: none"> • Quarterly fuel seller statistics are published on the Business Queensland website to enhance transparency and information accessibility for fuel sellers and consumers. • Annual SDS performance is published around EPW's biofuels exemption SDS measure. • The Biofuels Exemption Guideline contains target timeframes for fuel seller's reference. • The timeframes for regulatory approvals are outlined in the guidance documents available on EPW's website. Performance against SDS measure relating to licensing is published in the department's annual report. 	<ul style="list-style-type: none"> • Assessment of providing more detailed information on the fuel seller statistics website is currently underway, with the intent to commence publishing fuel sales volumes by local government area • Preliminary discussion around the role of the biofuels mandates in a future fuels policy and regulatory framework will be an important foundational consideration of the Fuels Strategy in the Queensland Energy and Jobs Plan.