



13 September 2024

Submission: AER Compliance Procedures and Guidelines for gas pipeline service providers

APGA welcomes the opportunity to comment on the Australian Energy Regulator's draft Compliance Procedures and Guidelines (the Guidelines) for gas pipeline service providers. APGA appreciates the ongoing commitment to consultation by the AER, especially in a period of considerable regulatory change. This submission makes one observation and one proposal for the draft Guidelines.

Risk-based audit approach

APGA particularly acknowledges that the AER has taken on board advice from industry regarding the compliance audit framework. The material change in design from requiring audits following every ACO, to *ad hoc* audits, demonstrates that the AER is committed to a risk-based approach. This will reduce the burden of compliance on service providers and, ultimately, the costs borne by gas end users.

Conducting audits only where there is sufficient evidence of a compliance problem will mean the costs of that audit will be in the long-term interests of customers.

Engage with service providers at all stages of an audit

In the event the AER has concerns about potential non-compliance by a service provider, it should engage with that service provider in the first instance. Additional information should be sought informally from the service provider as this may provide a quicker resolution.

APGA suggests this be addressed in a minor amendment of Appendix C of the draft Procedures and Guidelines. Specifically, to add provisions for the AER raise its concerns about potential non-compliance with the relevant service provider(s) before making the decision to undertake a compliance audit and execute an Information Request.

To discuss any of the above feedback further, please contact me on [REDACTED] or [REDACTED].

Yours sincerely,

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