

17 July 2018

Australian Energy Regulator

Sarah Proudfoot
General Manager—Retail Markets
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3000
Via email: retailcompliance@aer.gov.au

Re: Draft amendments to AER Compliance Procedures and Guidelines

Dear Sarah

Australian Gas Infrastructure Group (AGIG) welcomes the opportunity to make a submission to the Australian Energy Regulator (AER) consultation on the "*Draft amendments to AER Compliance Procedures and Guidelines*". We understand that the AER will review submissions received on the draft AER Compliance Procedures and Guidelines, Version 6 (Guideline) and the proposed new reporting framework and publish the updated Guideline prior to 1 January 2019.

We are supportive of the AER's overall approach to amending the Guideline and reporting templates to improve the quality of reports submitted to the AER. In particular, AGIG supports the following elements from the proposed new reporting templates:

- 1 introduction of two proforma reporting templates: one for reporting of immediate potential breaches only and one for quarterly and half yearly reports;
- 2 addition of the check-box format to enable businesses to check-mark the appropriate box for the period covered by the report; and
- 3 addition of the check-box format for nil returns to clearly show there are no non-compliances in the period.

AGIG's particular comments in relation to the AER's consultation questions are detailed in the remainder of this letter.

[Are there any concerns with implementing the proposed amendments to the reporting framework under the Guidelines by 1 January 2019?](#)

AGIG has not identified any issues with commencing reporting via the proposed templates.

What, if any, issues arise from the proposed amendment to immediate distributor reporting obligations around life support?

AGIG has not identified any issues with the life support immediate distributor reporting obligation from the effective date of 1 February 2019.

What, if any, concerns arise with requiring the company CEO or Managing Director (or acting CEO or Managing Director) to sign the final audit report before submission to the AER?

AGIG has no concerns with the requirement of the company Chief Executive Officer (CEO) or Managing Director (or acting CEO or Managing Director) signing the final audit report before submission to the AER.

What, if any, issues arise from the proposed changes to clauses 4.22 to 4.34 of section 4 of the Guidelines?

AGIG supports the following elements for the proposed changes to compliance audits:

- 1 provision of the "Notice" to carry out an audit and the terms of reference (clause 4.22)
- 2 the introduction of a summary of key findings in the audit report (clause 4.28);
- 3 signing of the audit report by the CEO (or equivalent) (clause 4.30); and
- 4 publishing a summary of outcomes of each audit on the AER website at the conclusion of the audit process.

We support the removal of *"..... 10 business days of its receipt from the third party auditor"* in clause 4.29 of the Guideline. We believe the timeframe for the final submission of the audit report should be detailed in the timeline, which forms part of the Terms of Reference of the audit. For the same reason we believe it is unnecessary to include the requirement to *"provide a copy of the final audit report to the AER within 5 business days of the conclusion of the audit"* in clause 4.29 of the Guideline.

Please contact either Vicky Knighton [REDACTED] or myself [REDACTED] if you would like to discuss this submission further.

Yours sincerely,



Craig de Laine
General Manager – People and Strategy