

Department of Energy and Climate Regulator Performance Framework

Annual Report 2023–24

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 Climate (DEC) Regulator Performance Annual Report 2023-24 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 DEC regulatory practices align with the regulator model practices throughout 2023–24	Outline any actions taken in 2023–24, or will be taken in 2024–25 by DEC, 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"> • Energy's compliance plan 2023-24 uses a risk-based approach and a range of regulatory tools and methods to encourage compliance and address issues. • Biofuels mandates compliance actions under the <i>Liquid Fuel Supply Act 1984</i> is proportionate, consistent, and fair and undertaken in accordance with the principles set out in the Biofuels Compliance and Enforcement Strategy, Reasonable Steps for Fuel Sellers Guideline and Biofuels Exemption Guideline. 	<ul style="list-style-type: none"> • DEC 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. • DEC continually reviews its regulatory actions to ensure resources are focused upon risk.

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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 input and Government decision making circumstances. • 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. 	<ul style="list-style-type: none"> • DEC proactively engages with its stakeholders and prospective applicants and provides opportunities for them to discuss application processes and annual reporting requirements. • DEC uses a range of informal and formal communications pathways to engage with fuel sellers around the biofuels mandates and associated regulatory requirements. This includes formal decisions, educational letters and emails, engagement meetings, and telephone discussions. 	<ul style="list-style-type: none"> • DEC continued engagement with stakeholders via a dedicated energy regulation inbox. • In 2023-24, DEC held meetings with prospective applicants for new authorities to guide and answer questions in relation to the license application process. • DEC engaged with the fuel sellers in-person and via digital platforms to develop a shared understanding of challenges and future opportunities that may be available.
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 	<ul style="list-style-type: none"> • DEC 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. • DEC publishes guidance for fuel sellers to understand their obligations under the biofuels mandates, enhance voluntary compliance, and demonstrate transparency. -Biofuels Compliance and Enforcement Strategy is publicly available document and 	<ul style="list-style-type: none"> • Approved 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. • DEC maintains regular communication with fuel sellers before and during the

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	do not disproportionately burden particular stakeholders (e.g. small business) or require specialist advice.	includes risk factors, triggers for compliance action, risk assessments. - Reasonable steps for fuel sellers Guideline include guidance and advice for fuel sellers to improve efficiency and consistency. - Biofuels Exemption Guideline include regulatory performance criteria.	mandatory reporting months and encourages proactive notification of compliance matters and voluntary compliance. <ul style="list-style-type: none"> DEC continues to support fuel sellers through consistent and prompt service delivery.
4.	Commit to continuous improvement <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"> DEC implemented a resources-to-risk approach to quarterly compliance reviews, reducing regulatory burden on stakeholders whilst maintaining critical regulatory oversight. 	<ul style="list-style-type: none"> DEC continued to deliver regulatory functions consistently and efficiently. Reviews of staff development agreements assisted staff in their development and training requirements. DEC continues to progress a risk-based approach when undertaking regulatory activities.
5.	Be transparent and accountable in actions <ul style="list-style-type: none"> Where appropriate, regulatory frameworks and timeframes for making regulatory decisions are published to provide certainty to stakeholders. 	<ul style="list-style-type: none"> The timeframes for regulatory approvals are outlined in the guidance documents available on DEC's website. Performance against SDS measure relating to licensing is published in the department's annual report. 	<ul style="list-style-type: none"> Publishing of the fuel seller statistics on Business Queensland and Open Data Portal websites is consistently undertaken to maintain transparency.

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	<ul style="list-style-type: none"> • 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"> • Various biofuels mandates resources and related information is publicly available on Business Queensland website. • The Biofuels Exemption Guideline provides high-level guidance around decision-making and includes target timeframes for fuel seller's reference. • Quarterly fuel seller statistics are published on the Business Queensland and Open Data Portal websites to enhance transparency and information accessibility for the fuel sellers and consumers. • Service standard around the biofuels mandates are published in the Service Delivery Statements. 	