

20 November 2017

Compliance and Enforcement Policy
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Via: www.ipart.nsw.gov.au/Home/Contact-Us/Make-a-Submission

Re: Draft Policy – Compliance and Enforcement – October 2017

To Whom It May Concern:

Australian Gas Networks Limited (AGN) welcomes the opportunity to make this submission to the Independent Pricing and Regulatory Tribunal (IPART) regarding its "*Compliance and Enforcement Policy – Draft Policy*" (Draft Policy).

AGN understands that IPART is seeking feedback on the Draft Policy in order to inform the development of its final version (to be published in December 2017). We also understand that IPART is reviewing the policy to outline its general compliance and enforcement approach and to provide guidance on the approach IPART may take to compliance and enforcement activities.

Overall, AGN supports IPART's intent to ensure the policy is consistent with IPART's guiding principles and the NSW Government's approach to regulation outlined in *Guidance for regulators to implement outcomes and risk-based regulation*, which includes:¹

- 1 focusing on an outcomes-based approach to assess both the efficiency and effectiveness of regulatory actions and outcomes respectively;
- 2 applying a risk-based regulatory model to compliance and enforcement that avoids unnecessary regulatory costs; and
- 3 consulting with stakeholders to ensure that compliance and enforcement strategies are relevant and targeted.

More particularly, AGN is supportive of IPART's proposed actions to:

- having regard to the materiality of any non-compliance that has been identified;
- educating and supporting regulated entities to understand and comply with their regulatory obligation; and

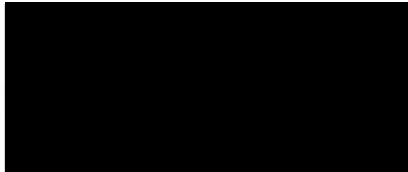
¹ NSW Department of Finance, Services and Innovation, *Guidance for regulators to implement outcomes and risk-based regulation*, October 2016.

- using a range of measures to monitor compliance, such as periodic and exception reporting, independent audits and considering complaints.

AGN considers that IPART should have regard to the approaches adopted by other regulators such as the Essential Services Commission of Victoria and the Australian Energy Regulator. In particular, AGN supports the adoption of already established practices regarding compliance to avoid compliance costs incurred by businesses associated with varying regulatory requirements across different state jurisdictions in Australia. As a business operating across different jurisdictions, AGN considers that this approach is consistent with the long-term interests of our customers.

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

Yours sincerely,



Craig de Laine

General Manager - Strategy and Regulation