

Australian Energy Regulator response to Questions on Notice - *Regulatory Activities: Inquiry into Auditor-General's Reports 33, 47, 48 (2019-20) and 5 and 8 (2020-21)*

1. The audit recommended that AER develops a performance measurement and evaluation framework that establishes the corporate plan as the primary planning document. The AER produced an AER-specific plan as part of the broader ACCC 2020-21 Corporate Plan. Will this type of AER-specific plan be an ongoing component of ACCC Corporate Plans?

AER response

- Yes, the AER-specific plan will be an ongoing component of ACCC Corporate Plans.
2. The audit found that record-keeping and documentation of reviews and assessments were not consistently maintained in one central location, limiting AER's ability to monitor and manage regulatory activities. How has AER rectified this issue and made record keeping and documentation more consistent?

AER response

- In January 2020 the ACCC/AER implemented a new document management system – iManage. The iManage system is certified to the Australian standard for managing digital records.
 - This new system has made filing documents in a central location easier. The iManage user interface is simple and is integrated with Microsoft Office applications. It has an advanced search capability to ensure documents are easily and quickly found. AER staff have received comprehensive training on using iManage.
 - The ACCC/AER have updated our Records Management Policy to make it a requirement for staff to use this system to manage their records.
3. Your submission notes the implementation of recommendation 4 (Information Management) is expected to be completed by June 2021. Could you update the Committee on the planning and development of the Information Management Framework and the implementation timeframes?

AER response

- In December 2020 the functionality to support the information management framework was completed. This involved modifying the existing enterprise data asset register to manage, store and retrieve compliance assets. Since then we have been populating compliance data assets into this enhanced register.
 - AER staff will have all current data assets captured in this register by June 2021. The register is and will continue to be populated and updated with compliance data assets on an ongoing basis, as part of business as usual for the AER.
4. Your submission (p. 4) mentions that a new Compliance Decision Making Framework has been developed and will be considered by the AER Board in the first quarter of 2021. What are some of the key features of the Compliance Decision Making Framework and how do they benefit the AER's regulatory work?

AER response

- The Compliance Decision Making Framework supports the risk-based approach taken by the AER to its compliance and enforcement work program.
- The Framework draws in a range of information, intelligence and data from various sources to provide a comprehensive understanding of the compliance risks in the energy regulatory landscape. This is used to decide what areas to prioritise in setting the AER's annual compliance and enforcement priorities and the appropriate allocation of resources. The Framework also assists in determining the relevant regulatory responses to compliance and enforcement matters.
- The key elements are:
 - risk assessments (of obligations across the regulatory framework and risk profiles of regulated entities),
 - compliance intelligence (drawing on information and data from market participants and jurisdictional regulators) and
 - the environment (the state of the energy market and factors impacting the operation of the energy market).