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Australian Energy Regulator - Markets Branch  
GPO Box 520  
Melbourne VIC 3001

[AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au)

Dear Sir/Madam

**RE: Australian Energy Regulator's (AER) Consultation on Compliance under the National Energy Retail Law, Retail Rules and Retail Regulations – Draft Decision**

TRUenergy welcomes the opportunity to provide the following comments in relation to the Australian Energy Regulator's (AER) Consultation on Compliance under the National Energy Retail Law, Retail Rules and Retail Regulations – Draft Decision.

TRUenergy is generally supportive of the AER's proposed to compliance under the National Energy Retail Law, Retail Rules and Retail Regulations and believes its approach should lead to the development of an effective compliance regime under the National Energy Customer Framework (NECF). In creating such a framework TRUenergy believes the AER should first assess the way regulate entities operate under the compliance regime, and then over time review to see whether it balances the needs of consumers and the effective operation of the market with regulated entities' compliance costs.

Given the complexity of systems associated with the provision of energy today it is near impossible for any retailer to have a perfect compliance record. However given the state of competitiveness of most retail markets, the need to mitigate the potential for negative publicity at all costs requires businesses to have comprehensive compliance monitoring. Such an approach means that in the event of a breach retailers must be proactive in dealing with such issues and advise the relevant regulator and where necessary other stakeholders of how customers are impacted and what the company is doing to address the issue. Because of this, TRUenergy believes that while reporting of compliance breaches can play a role in protecting customers and ensuring the market operates efficiently, the way the AER interacts with regulated entities and ultimately how businesses deal with compliance issues and ensure they do not reoccur is equally important. The AER should therefore focus on establishing an open and frank dialogue with all its stakeholders in order to minimise the use of enforcement powers

In transitioning to the national regime there may inevitably be a higher incidence of non-compliance in the short term as regulated entities become familiar with the legislative and regulatory framework. While the obligations under the NECF are similar to those which currently exist, they are not identical. This will mean that each business will have familiarise themselves with the specifics of each obligation.

TRUenergy recognises auditing play an important part in the monitoring of compliance among regulated entities. Such audits are inevitably resource and time intensive processes that TRUenergy

believes should only be conducted when necessary with a clear and stated objective. In preparing for audits TRUenergy considers it is vital that regulated entities are consulted about the purpose and timing of these audits in order to assist the AER on how best to meet its intended aim and to provide business with some understanding what personnel will needed to assist external auditors. TRUenergy would maintain that better outcomes are more likely to be reached where regulated entities are consulted prior to the audit commencing.

Finally, TRUenergy supports regulated entities being left to develop their own compliance systems. Given the differences in the size and types of businesses having a standard system may not effectively balance the costs associated with establishing such systems with the requirements of the entity.

Should you have any questions in relation to this submission please feel free to give me a call on (03) 8628 1185.

Yours sincerely

Alastair Phillips  
Regulatory Manager  
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