



Strategic Direction - Consultation

Your Say on our Strategic Direction

The Essential Services Commission (**Commission**), South Australia’s independent economic regulator and advisory body, is seeking community, industry and other stakeholder views to help inform its strategic direction for the coming three-year period July 2017 to June 2020.

The Commission looks to engage broadly across the entire South Australian community in all of its work. In the context of its strategic direction, it is particularly important to gain South Australians’ view on issues such as:

- ▶ What matters to consumers of essential services and how should the Commission take that into account?
- ▶ What matters to providers, or potential providers, of essential services and how should the Commission take that into account?
- ▶ What does the environment in which the Commission works look like now and how might that change over time?

Views on those and related matters will help the Commission develop and implement a clear and effective Strategic Direction for the coming years, to deliver value for South Australians through its regulatory and advisory capacities.

The Commission also understands that genuine and effective community engagement can enhance the understanding of regulated industries and of the issues which are of importance to this State.

The Commission has identified four broad themes, which may have strategic influence on the regulation of essential services, as well as other areas where the Commission may be required to provide economic or regulatory advice. These are:

- ▶ changing community expectations and views on standards of service and access for essential services and the role that regulation can or should play in the market

- ▶ changing (and evolving) market and industry structures, including the impacts of new and potentially disruptive technologies
- ▶ the overall South Australian and Australian economic climate and trends, and
- ▶ changes in practices and thinking in the field of economic regulation, nationally and globally.

The Commission invites you to have your say on how these emerging trends and issues may influence its strategic planning.

Further, the Commission welcomes your views on how it might better engage the community and stakeholders, and any other issues relevant to setting its priorities and work program.

The strategic planning process will also include a stakeholder online survey, to be conducted by New Focus Pty Ltd in early September 2016.

The Commission’s current Strategic Plan can be found at www.escosa.sa.gov.au.

The Commission’s role

The Commission is a statutory authority established as an independent economic regulator and advisory body under the Essential Services Commission Act 2002.

It has economic regulatory responsibility in the water, sewerage, electricity, gas, rail and maritime services industries, with its regulatory and economic advisory functions including and extending beyond those matters.

In undertaking its functions, the Commission’s primary objective is the:

“... protection of the long term interests of South Australian consumers with respect to the price, quality and reliability of essential services.”

The Essential Services Commission Act sets out seven further factors to which the Commission must have regard to in performing its functions:

- ▶ promoting competitive and fair market conduct
- ▶ preventing misuse of monopoly or market power
- ▶ facilitating entry into relevant markets
- ▶ promoting economic efficiency
- ▶ ensuring consumers benefit from competition and efficiency
- ▶ facilitating maintenance of the financial viability of regulated industries and the incentive for long term investment, and
- ▶ promoting consistency in regulation with other jurisdictions.

The strategic planning approach

Each year, the Commission prepares a Strategic Plan, with a three-year timeframe. The next Strategic Plan will cover the period July 2017 to June 2020.

In undertaking strategic planning, the Commission seeks to capture the issues and themes that are important to stakeholders. This ensures that the Commission's strategic direction and priorities are responsive to consumers' needs in the broader regulatory, economic, social, legal and policy environment.

A better regulation approach

The Commission actively works towards being a high performing and responsive agency, administering a principles-based regulatory and advisory framework. It focuses on outcomes and uses a risk-based approach, adopting contemporary and best practice regulatory principles.

"Better regulation is an attitude, a culture and outcomes-based method of working to ensure we are always on the look out to better meet the community's needs in a cost-effective manner. It includes an acceptance that the best outcome may not require a regulatory solution."

The broader context

The Commission operates in an environment of multiple regulatory agencies and broad policy considerations. It is a regulatory and advisory body within that context, with defined roles and functions; it does not have a policy remit.

It is therefore important that the Commission works with other agencies to ensure a consistent and complementary regulatory approach, focussed on securing the long term wellbeing of all South Australians.

The current goals – at a glance

The Commission's Strategic Plan 2016-2019 outlines key goals that guide it in meeting its primary objective of protecting the long term interests of consumers with respect to price, quality and reliability of essential services.

Goal 1 - We will establish consumer protection frameworks to promote the delivery of service levels valued by consumers at an efficient cost.

Goal 2 - We will keep regulated businesses accountable by monitoring and publicly reporting on service standards and regulatory requirements.

Goal 3 - We will engage genuinely with our stakeholders to achieve the best possible decisions and build understanding of economic and regulatory issues.

Goal 4 - We will add value to South Australia by delivering impartial, credible and robust regulatory and economic advice.

How can you provide feedback?

The Commission welcomes your feedback on its strategic direction in a range of ways:

- ▶ You can directly contact the Commission.
- ▶ You can attend the Adelaide forum on 14 September 2016. Registration is required for attendance and information is provided on our website.
- ▶ You can provide a written submission, which can be provided (by 7 October 2016) and sent to escosa@escosa.sa.gov.au.

Further information - contact

For further information please contact:

Ms Linda South
Director Corporate Services
Telephone: (08) 8463 4444
Email: linda.south@escosa.sa.gov.au