



# Performance Plan 2021-22



**The Performance Plan sets out and explains the Commission's major regulatory projects, major advisory projects and ongoing statutory functions (including the corporate work program), with the associated Budget setting out the funding requirements to deliver that work in 2021-22.**

## The Commission

The Commission is an independent statutory authority with regulatory functions covering a range of essential services, including [water and sewerage](#), [electricity](#), [gas](#), [rail](#) and [maritime](#) industries, and advisory functions on regulatory and economic matters. Each industry regulated by the Commission has a dedicated page on its [website](#) which provides detailed information about the Commission's roles and functions in each industry.

Our primary **objective** under the *Essential Services Commission Act 2002* is the protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services.

Our **purpose** is to add long-term value to the South Australian community by meeting its objectives through its independent, ethical and expert regulatory decisions and advice.

Our regulatory framework must be responsive to our operating context and environment. Taking into account the factors identified in our Strategy 2021 – 2024 (**Strategy**), we continually refresh our business model to reflect our key functions of regulatory design, market intelligence and analysis, and regulatory action, all underpinned by robust and genuine stakeholder engagement and evaluation of our performance.

During 2021-22, the Commission will focus on five key areas that will consolidate and strengthen our economic regulatory and advisory function while contributing to the achievement of our objective.

These focus areas are:

- ▶ Building stakeholder engagement and providing for consumer inputs and challenge.
- ▶ Design of regulation.
- ▶ Analytical capability.
- ▶ Regulatory performance.
- ▶ Evaluation capability.

Driving us to meet our objective, purpose and strategy are our people, culture and values. The Commission's values are:

- ▶ We will be responsive and accountable.
- ▶ We will challenge and be open to innovation.
- ▶ We will build inclusive relationships.

## Performance Plan 2021-22

The Performance Plan 2021-22 (**Plan**) has been prepared pursuant to section 23 of the *Essential Services Commission Act 2002*. Through the programs and projects set out in the Plan, the Commission will meet of all its statutory requirements.

The regulatory and advisory work is supported by the corporate work program, which includes, but is not limited to, legal and corporate governance support, finance and budget management, strategic and performance planning and reporting, workforce and work health and safety, information technology and systems support and executive and administrative support.

## Key changes for 2021-22

The Commission has identified four key areas for change for 2021-22, compared to previous years. These changes are driving an increased work program and a need for additional resources to effectively deliver the Commission's statutory objective and functions.

The four key drivers are:

- ▶ **SA Water Regulatory Determination 2024:** The SA Water Regulatory Determination 2020 ex post review highlighted stakeholder appetite for more and earlier public engagement throughout the regulatory determination and longer-term planning processes for SAWRD24.

It also showed a need for a greater analytical focus on the longer-term planning and investment environment, how each regulatory cycle fits into those cycles, and the implications for customer service levels and bills in that context. If this can be achieved it will mean that regulatory determinations for SA Water can become more of a continuous process rather than isolated four-yearly events.

To deliver those outcomes we will need to improve our economic regulatory practices, processes and capabilities.

- ▶ **Small-Scale Networks:** The outcomes of the Small-Scale Networks Inquiry will give rise to a revised regulatory framework and approach, with a greater focus on the longer-term service sustainability of small-scale networks and the importance of customer engagement.

To deliver this we need to develop a greater understanding of the factors impacting on service sustainability and customer outcome risks, from a data analysis and audit/compliance perspective, for each small-scale network's operating environment.

- ▶ **Licensing:** The volume of licensing work before the Commission continues to grow. If that function is to be performed successfully, efficiently and without unduly delaying projects in the market, there is a need to better resource that work as compared to current levels.

- ▶ **Compliance and enforcement:** The Commission has clearly stated that our compliance and enforcement functions should be enhanced and informed by stronger evidence-based analysis. To deliver this successfully will require investment in staff to undertake performance monitoring, data analysis and regulatory action (compliance and enforcement).

Overall, these drivers mean that we must further invest in the people, systems and tools we use, to support our analysis, decision-making and regulatory action processes and functions. We have already started that investment, with our Regulatory Intelligence System and the Regulatory Action System in the first stage of development.

Those systems, along with the existing Better Regulation System, underpin our regulatory business model and will support and develop our use of data and analytics – strengthening our regulatory decision-making processes across all teams and assisting our compliance and audit functions.

## Further information

Further information about the Commission's regulatory and advisory functions, and how the Commission engages and consults with stakeholders, can be found within the Commission's Strategy and its Charter of Consultation and Regulatory Practice.

A copy of the [Strategy](#) and [Charter](#) can be found at the Commission's website.

## Performance Plan 2021-22 – statutory work program

No.	Industry	Project/Program title	Requirement/outcome	Timing
<b>Making of price determinations</b> , pursuant to section 35 of the Water Industry Act 2012 and <i>Essential Services Commission Act 2002</i> , to allow for regulating of prices, conditions relating to prices, and price-fixing factors for water retail services.				
1	Water	SA Water Regulatory Determination 2024	Continue to work towards making a regulatory determination to apply to SA Water for the period 1 July 2024 to 30 June 2028 including: <ul style="list-style-type: none"> <li>▶ a price determination that sets four-year revenue caps for drinking retail services and sewerage retail services</li> <li>▶ specific pricing principles for excluded retail services, and</li> <li>▶ establishment of service standards and other customer service obligations that SA Water must meet during the four year regulatory period.</li> </ul> The regulatory determination will be released in 2024.	2020-21 - 2023-24
2	Water	Price Determination to apply to Robusto Investments Pty Ltd	Research and analysis to be undertaken to inform the making of a second price determination for Robusto Investments Pty Ltd in 2022.	2021-22 - 2022-23
<b>Making of industry codes and rules</b> , pursuant to part 4 of the <i>Essential Services Commission Act 2002</i> , to regulate the conduct or operations of a regulated industry or regulated entity, including reviewing existing codes.				
3	Water	SA Water Regulatory Determination 2020: Monitoring and evaluating performance framework	Implement and embed the enhanced reporting regime to ensure that: <ul style="list-style-type: none"> <li>▶ SA Water's ongoing investment planning and evaluation processes are transparent, and</li> <li>▶ an appropriate level of independent oversight of SA Water's ongoing progress in developing, monitoring, evaluating and reporting on how its operational and longer-term investment decisions are delivering benefits to its customers, stakeholders and its owners.</li> </ul>	2021-22
4	Electricity and Gas	Retailer Energy Productivity Scheme Code Review	Review the code to address any issues with administration of the scheme that could not be captured through the limited review in 2020-21.	2021-22
5	Electricity and Gas	Energy Prepayment Meter System Code Review	Review the code to ensure the adequacy of the consumer protections provided for by the code.	2021-22
Review of South Australian ports access regime and price determination under the <i>Maritime Services (Access) Act 2000</i>				
6	Maritime	Ports Pricing and Access Review	5-yearly review of the South Australian ports pricing and access regime to determine: <ul style="list-style-type: none"> <li>▶ if the current price determination, from 1 October 2017 to 30 October 2022, has been effective</li> <li>▶ if the access regime should continue for a further five-year period from 31 October 2022, and</li> <li>▶ if the ports Price Regime should continue for a further five-year period from 31 October 2022 and if so, what form of price regulation should be adopted?</li> </ul>	2021-22

No.	Industry	Project/Program title	Requirement/outcome	Timing
Administer the <b>licensing regime</b> (including exemptions) that applies to water, electricity and gas entities, as established under the <i>Water Industry Act 2012</i> , <i>Electricity Act 1996</i> and <i>Gas Act 1997</i>				
7	Water, Electricity and Gas	Licence regime administration	Issue, vary and transfer licence and exemptions.	Ongoing
Administer the <b>Retailer Energy Productivity Scheme</b> , as established under the <i>Electricity (General) Regulations 2012</i> and <i>Gas Regulations 2012</i>				
8	Electricity and Gas	Retailer Energy Productivity Scheme administration	Administer the scheme to ensure retailers comply with: <ul style="list-style-type: none"> <li>▶ the Minister of Energy and Mining's Specifications for the scheme, and</li> <li>▶ with the Commission's Retailer Energy Productivity Scheme Code.</li> </ul>	Ongoing
Administer the <b>monitoring and reporting framework</b> , that applies to water, electricity and gas entities, as established under the <i>Water Industry Act 2012</i> , <i>Electricity Act 1996</i> and <i>Gas Act 1997</i> to assist consumers in understand the nature and levels of service which have been provided to them, and ensure regulated businesses' compliance with their reporting obligations.				
9	Water, Electricity and Gas	Verified trust and accountability implementation framework	Implementation of the verified trust and accountability framework small-scale network providers in line with the Final Inquiry report released in February 2021.	2020-21 - 2021-22
10	All	Regulatory Intelligence System	Development and implementation of an internal regulatory intelligence system which focuses on reconfiguring and/or building upon existing data sets, analytical tools and economic models in a more centralised and structured manner to allow for increased monitoring functionality.	2020-21 - 2021-22
11	Water, Electricity and Gas	Regulatory performance reporting	Release regulatory performance reports for: <ul style="list-style-type: none"> <li>▶ the Water industry which focus on customer service and operational performance against applicable service standards</li> <li>▶ the Energy industry which focus on network service, reliability performance outcomes and consumer protection measures, and</li> <li>▶ the retailer energy productivity scheme which focus on the performance of obliged retailers under the scheme.</li> </ul>	Ongoing
13	Electricity and Gas	Ministerial energy pricing reports	Provide to the Minister for Energy and Mining reports on energy retail price offerings available to South Australian small customers (residential and small business) for the previous financial year.	Ongoing
14	Water	National Performance Reports	Release nation performance reports which benchmark various indicators the pricing and service quality of Australian water utilities.	Ongoing
Ongoing administration of the <b>water industry third party access regime</b> , under the <i>Water Industry (Third Party Access Amendment) Act 2015</i> , which provides a framework for the negotiation of access to certain water and sewerage infrastructure services, with the potential for arbitration should negotiations fail.				
15	Water	Administer the water industry third party access regime	Undertake negotiation, as required, of access to certain water and sewerage infrastructure services.	Ongoing

No.	Industry	Project/Program title	Requirement/outcome	Timing
<b>Conciliate and arbitrate</b> individual infrastructure access disputes, under the relevant industry Acts.				
16	Maritime, Rail and Water	Conciliation and arbitration	Conciliate access disputes and refers disputes to arbitration for SA Rail, Tarcoola-Darwin Rail, proclaimed Ports and Water industries.	As required
Administer the <b>monitoring and enforcement of compliance</b> with, and promotion of improvement in, standards and conditions of service and supply under relevant industry regulation Acts, as established under the <i>Essential Services Commission Act 2002</i> ,				
17	All	Administer the Commission's compliance and enforcement frameworks	Ensure: <ul style="list-style-type: none"> <li>▶ regulated entities are aware of their regulatory obligations and the possible consequences of non-compliance</li> <li>▶ monitor compliance through regular reporting and review arrangements (including auditing of business operations), and</li> <li>▶ appropriate enforcement action is taken in cases where non-compliance is detected.</li> </ul>	Ongoing
18	All	Regulatory Action System	The compliance and enforcement framework includes the implementation of an enhanced regulatory action system that allows: <ul style="list-style-type: none"> <li>▶ both regulatory and operational effectiveness for the Commission</li> <li>▶ evidence-informed regulatory and consumer outcomes, and</li> <li>▶ effective and evidence-based tools for compliance action.</li> </ul>	2020-21 - 2021-22
Conduct <b>Inquiries</b> under part 7 of the <i>Essential Services Act</i> .				
19	All	Part 7 Inquiries	Conduct public inquiries initiated by: <ul style="list-style-type: none"> <li>▶ the Commission (into any matters within our regulatory scope)</li> <li>▶ by the Treasurer (into any matter), or</li> <li>▶ by an industry Minister (into any matter concerning a regulated industry).</li> </ul>	As required
Provide <b>advice</b> to SA Government under section 5(f) of the <i>Essential Services Act</i> .				
20	All	Section 5(f) advice	Provide independent advice on economic and regulatory matters.	As required
The Commission must publish a <b>Charter</b> of Consultation and Regulatory Practice under section 9 of the <i>Essential Services Commission Act 2002</i> , which includes guidelines for consultation with stakeholders.				
21	All	Stakeholder consultation	Undertake stakeholder consultation in line with the Commission's Charter of Consultation and Regulatory Practice.	Ongoing
<b>Corporate</b> statutory work program				
22	Corporate	Corporate statutory work program	Ensure all corporate statutory work is completed within the required timeframes, including but not limited to: <ul style="list-style-type: none"> <li>▶ Annual Report 2020-21 (including Third Party Water, Rail and Ports) and financial statements</li> <li>▶ Annual and quarterly reporting to SA Government</li> <li>▶ Strategy 2022-2025</li> </ul>	Ongoing

No.	Industry	Project/Program title	Requirement/outcome	Timing
			<ul style="list-style-type: none"> <li>▶ Performance Plan and Budget 2022-23</li> <li>▶ Legal and corporate governance (including legislative compliance) advice</li> <li>▶ Budget management, finance, risk management and procurement</li> <li>▶ Workforce, including payroll, learning and development, performance management and work, health and safety</li> <li>▶ Executive and secretariat - Commission, Leadership Team, Consumer Advisory Committee and Power Line Undergrounding Committee</li> <li>▶ Administrative support, library, document, publication, and media and communication</li> <li>▶ Information technology, information management including records management and assets services, and</li> <li>▶ Corporate policy reviews.</li> </ul>	

The Essential Services Commission is an independent statutory authority with functions in a range of essential services including water, sewerage, electricity, gas, rail and maritime services, and also has a general advisory function on economic matters. For more information, visit [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).

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