

# STRATEGIC PLAN 2011-2013



**Economic Regulation Authority**

*Ensuring quality services for a reasonable price*







## MESSAGE FROM THE CHAIRMAN



It is with pleasure that I present the Economic Regulation Authority's (ERA) strategic plan which covers the three year period until July 2014.

The ERA is the independent economic regulator for Western Australia. While our primary role is to regulate the electricity, gas, water and rail industries, we also undertake inquiries which culminate in recommendations to government on important economic issues impacting the State.

### **Our revised purpose statement – To ensure consumers receive quality services for a reasonable price – will guide our actions over the next three years.**

At the end of the three year period of this strategic plan, the ERA wants to have greater confidence that consumers of electricity, gas and water services are paying bills that reflect efficiently incurred costs, that the services they receive are consistent with their expectations and willingness to pay, that the contracts they enter into with their service providers are fair, and that they have appropriate options should they experience difficulties in paying their accounts.

We want to have greater confidence that the owners of electricity, gas, rail and water networks are all incurring expenditure efficiently, are complying with their license obligations and, where relevant, providing access to their networks or pipelines on reasonable terms.

We want to have greater confidence that licensees – such as generators and retailers of electricity, retailers of gas and retailers of water – are all complying with their licence obligations.

We would also like to see a much more competitive wholesale market for electricity.

For our part, we want to make sure our decisions are predictable, consistent, transparent and are made following effective consultative processes. We also want to make sure that the costs of complying with our requirements are kept to a minimum.

When called on to provide advice to government – whether as a formal economic inquiry, or in relation to our role in monitoring the effectiveness of the electricity market, or in reviewing various codes, we will ensure that our recommendations are well informed, rigorous and clearly communicated. Our advice will always be based on what we think is in the long term interests of consumers.

The goals and strategies in this strategic plan have been designed to achieve our purpose.

A handwritten signature in blue ink that reads "Lyndon Rowe". The signature is stylized and fluid.

**Lyndon Rowe**  
Chairman  
Economic Regulation Authority



## PLANNING FRAMEWORK

The following planning framework has been developed to ensure all the required components are linked and aligned to achieve our purpose.



### PURPOSE

TO ENSURE

CONSUMERS RECEIVE

QUALITY SERVICES

FOR A REASONABLE

PRICE.

### STRATEGIC GOALS

- To be a leader in the application of economic regulation;
- To be recognised and respected as a provider of high quality advice to Government;
- To be accessible, understandable and compelling in our communications;
- To improve the efficiency and effectiveness of our regulatory decision making and advice; and
- To improve regulatory compliance.







## Strategies to achieve our strategic goals

### STRATEGIC GOAL 1: To be a leader in the application of economic regulation

- Continue to expand our capacity in undertaking regulatory research and analysis;
- Continue to review the way we regulate to ensure we always apply best practice;
- Be more proactive in seeking opportunities to make presentations at relevant conferences and forums.

### STRATEGIC GOAL 2: To be recognised and respected as a provider of high quality advice to Government

- Maintain and enhance our capacity to ensure our advice is rigorous, well-informed and complete;
- Increase our ability to mobilise the required resources to undertake complex projects at relatively short notice;
- Extend our monitoring and analysis of the performance of the utility sector.

### STRATEGIC GOAL 3: To be accessible, understandable and compelling in all our communications

- Review stakeholder consultation and engagement processes;
- Continue to develop reference material that is informative and useful for licensees, consumers and other stakeholders;
- Improve the structure and content of information on our website;
- Continually review the approach we use to convey decisions and recommendations.

### STRATEGIC GOAL 4: To improve the efficiency and effectiveness of our regulatory decision making and advice

- Actively review regulatory processes to ensure the time and costs associated with regulatory activities are minimised;
- Continue to develop the skills and knowledge of our staff;
- Continue to focus on internal improvements to make the ERA a great place to work.

### STRATEGIC GOAL 5: To improve regulatory compliance

- Use regulatory managers' forums and executive liaison meetings to clarify and reinforce expectations;
- Identify areas of high compliance risk and direct our resources to these areas;
- Develop statements of regulatory practice or guidelines where appropriate.

## VALUES

- **IMPARTIALITY**  
We make independent decisions that are free from bias
- **INTEGRITY**  
We will be fair and honest in our work
- **CONTINUOUS IMPROVEMENT**  
We strive to achieve excellence in the way we do things
- **TRANSPARENCY**  
Our processes are visible and our decisions clearly explained
- **TEAMWORK**  
We work together to achieve our goals

# About the ERA

The ERA is the independent economic regulator for Western Australia, as stipulated under section 4 of the Economic Regulation Authority Act 2003.

The ERA regulates monopoly aspects of the gas, electricity and rail industries and licenses providers of gas, electricity and water services. The ERA also inquires into matters referred to it by the State Government. In addition, the ERA has a range of responsibilities in the retail gas market and surveillance of the wholesale electricity market in WA.

The ERA's functions are designed to maintain a competitive, efficient and fair commercial environment, particularly where businesses operate as natural monopolies, for the benefit of the WA community.

The ERA makes its decisions independent of industry, Government, or other interests and is not subject to State or Ministerial direction in carrying out its regulatory or inquiry functions.



## Corporate Profile

### ORGANISATIONAL STRUCTURE

The ERA has two distinct parts: the Governing Body and the Secretariat.

#### Role of the Governing Body

The Governing Body determines the policies, controls the affairs and otherwise performs the functions of the Authority, including regulatory decisions. The Governing Body consists of a full-time Chairman and two part-time Members.

#### Role of the Secretariat

The Secretariat is the initial point of contact in day-to-day dealings of the ERA on matters relating to gas, electricity, rail and water regulation, and Government references. The Secretariat provides advice and assistance in relation to these matters, to support the Governing Body's regulatory decisions.

The Secretariat comprises three operational divisions and two business support divisions. The three operational divisions are: Access; Economics; Licensing, Monitoring and Customer Protection. The two business support divisions are Corporate Services, and Corporate Strategy and Performance.







Economic Regulation Authority

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