



Economic Regulation Authority

# Strategic Plan | 2024-2027



## Acknowledgement of Country

At the ERA we value our cultural diversity and respect the traditional custodians of the land and waters on which we live and work.

We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

## Contact details

### Address

Level 4, Albert Facey House, 469 Wellington Street, Perth WA 6000

Telephone: 08 6557 7900

Email: [info@erawa.com.au](mailto:info@erawa.com.au)

Website: [www.erawa.com.au](http://www.erawa.com.au)

### Accessing the strategic plan

The Strategic Plan 2024-2027 is available on the ERA website: [www.erawa.com.au](http://www.erawa.com.au).

To make the plan as accessible as possible, we have ensured this PDF is accessible, including providing alternative text descriptions for all images.

This report can also be made available in alternative formats on request.

National Relay Service TTY: 13 36 77

### Image credits:

Front cover

Solar Farm Merredin, Merredin, Tourism Western Australia

Merredin Collgar Wind Farm, Merredin, Tourism Western Australia

Wellington Dam, near Collie, Frances Andrijich

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Great Southern Rail Indian Pacific Train, Great Southern Rail

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Merredin Collgar Wind Farm, Merredin, Tourism Western Australia

## A message from the Governing Body

The Economic Regulation Authority regulates electricity, gas, water and rail. The largest of our functions relates to regulating the electricity wholesale market and network infrastructure, followed by gas pipeline regulation. Our role in energy markets is therefore a major focus of our strategic planning.

Energy systems globally are undergoing rapid changes to support countries to meet their net zero emissions targets. Ensuring that we administer regulation which keeps pace with the energy transformation is an ongoing task that requires us to embrace change and be agile in our approach. We must be curious, adaptable, and innovative, whilst continuing to uphold the highest standards and provide the expertise that has come to be expected of us.

The energy transformation presents challenges and opportunities for market participants as well. Our stakeholders have told us they want to be active and engaged participants in the markets we regulate, and we will work constructively with them to ensure they have confidence that their views are considered. We will be open and approachable, and we will proactively seek out information about the markets we regulate, including from consumers.

Our purpose is to benefit all Western Australians by promoting strong economic outcomes through effective regulation and decision making. We strive to make sure current and future consumers pay no more than necessary for safe and reliable utilities.



We recognise that some WA consumers are vulnerable, and we will use the consumer protection tools we have at our disposal to safeguard their interests. This includes new protections for consumers experiencing family and domestic violence, for all who request assistance from their retailer to manage payments and for those in bill debt.

To deliver on our purpose, we have articulated four strategic objectives. We will:

- Embrace change
- Openly engage and communicate
- Support well-functioning markets
- Strengthen organisational culture

This strategic plan sets out how we aim to achieve these objectives. Each year, we will review our progress and make changes when needed.

Steve, Virginia and Michelle



## Our plan



### Purpose

Our purpose is to benefit all Western Australians by promoting strong economic outcomes through effective regulation and decision making. We strive to make sure current and future consumers pay no more than necessary for safe and reliable utilities.



### Mission

We achieve our purpose through effective regulation and decision making. Our functions are conferred on us by the *Economic Regulation Authority Act 2003*, and other legislation:

- We regulate access to networks in the gas, electricity and rail industries. Electricity and gas network providers submit revenue proposals to us, which we review and make decisions on. In the rail industry, we administer a framework that encourages parties to make commercial agreements for access that are fair for all parties.
- In wholesale electricity and gas markets, we monitor participant behaviour, and investigate and enforce compliance with the rules of the markets. We determine some key market parameters and approve the Australian Energy Market Operator's funding. We also monitor the performance of the retail gas market.

- We license providers of gas, electricity, and water services and monitor their performance to ensure they adhere to service and performance standards.
- We protect electricity, gas and water consumers by approving standard form contracts and financial hardship policies, and overseeing, reviewing, and amending various codes of conduct and other consumer protection requirements.
- We report to the responsible Minister(s) on various aspects of the wholesale electricity market, the effectiveness of the structural regulations applying to Synergy, and the operation of licensing schemes and licensees' performance.
- We conduct public inquiries into matters referred to us by the Treasurer.



### Values

How we work is just as important to us as what we do:

- Our people have **integrity**: they make decisions and provide advice based on transparent, unbiased and rigorous analysis, and in a way that is professional, ethical and accountable.
- They strive for **excellence**: our people are experts, and passionate about delivering high quality outcomes. We take pride in what we do and how we contribute to the economy and to the community.
- And we build **trust**: we want industry and consumers to trust us to be impartial, treat others in an equitable, respectful and inclusive manner, and to be fair and even-handed when making decisions.



## Objectives

We have set four objectives for the organisation:

- The first is to **embrace change**. We are committed to proactively exploring solutions to the challenges facing regulated markets and being open and curious about new ways of achieving the best possible outcomes.
- We will continue to **support well-functioning markets** by providing robust, evidence based regulatory decisions and advice. To do so we must consider the context of our decisions, both today and in the future, and support markets to innovate and adopt new technologies.
- We want to **openly engage and communicate**. We will remain informed and aware of stakeholder views through meaningful consultation, communicate our decisions clearly and appropriately for the audience and be transparent, unbiased and inclusive.
- To meet these objectives, we will **strengthen organisational culture**. In particular, we want to cultivate a culture of innovation and regulatory excellence, and enhance our people's capacity to be highly competent, adaptable and resilient.



## Priorities

To meet our objectives, we will:

- Within the existing regulatory framework, adapt our approach to respond to emerging challenges and advise Government if we consider the framework could be improved.
- Deepen our research and data analytics capabilities and share the insights of this work with our stakeholders.
- Be a proactive regulator, monitoring compliance and acting where there is evidence of non compliance.
- Refine our communications and stakeholder engagement strategy.
- Explore and implement approaches that enable consumers to have effective input.
- Empower our people to drive innovation.



## Measures of success

We have identified key projects and business activities that align with each objective. Progress towards or completion of these projects or activities will provide our measure of our success.

## How we will meet our strategic objectives

This section sets out how our priorities will help us achieve our objectives.



### Embrace change

We recognise that we need to support the energy system to innovate and adopt new technologies and invest in the energy transition.

This calls for us to continue **using the tools of the existing framework** and to **adapt our approach**, push in new directions and shift our emphasis to **respond to emerging challenges** and priorities. We will **advise Government if we consider the framework could be improved** to support the energy transition.

We will embrace changes to the regulatory framework and taking on new roles. For example, we are preparing for commencement of an amended *Railways (Access) Code 2000*. And we are ready to take on new enforcement and compliance functions as part of the start of the new wholesale electricity market on 1 October 2023.

To support our commitment to embracing change and innovate in response to challenges, we want to grow our understanding of the opportunities and risks the energy transformation presents. To do so, we intend to **deepen our research and data analytics capabilities** by undertaking a series of research projects exploring the issues. This will prepare us to be agile in responding to emerging challenges. It will complement the research and analysis we already carry out as part of our regulatory processes. We will **share the findings and insights of our research with stakeholders**.

We will embrace change in the way we operate internally by **empowering our people to drive innovation**. We will proactively encourage new ways of working and seek out opportunities to be more efficient and collaborative.







## Support well-functioning markets

The rules and regulations underpinning our work support markets to work well, and in turn, consumers paying no more than necessary for secure, reliable utilities, now and into the future. If regulated entities do not comply with the rules and regulations, this can harm Western Australian consumers and businesses.

This is why we will **be a proactive regulator**. We will work with regulated businesses to assist them to comply with regulatory requirements. We will use our intelligence systems to **monitor compliance**. Where **evidence** shows that regulated businesses have **failed to meet regulatory requirements**, we will **use our compliance and enforcement powers**.

To ensure our activities better reflect consumer preferences, we need to have a sound understanding of their interests, as do regulated businesses. Over the coming three years, we therefore intend to explore and implement approaches that **enable consumers to have effective input** in shaping regulated businesses' business plans and regulatory proposals. Genuine, high quality consumer engagement helps businesses tailor their proposals to align with consumers' long-term interests. We will signal to the businesses we regulate well in advance the changes to our approach to consumer engagement.

Using the tools of the existing regulatory framework and adapting our approach to respond to emerging challenges, and advising Government if we consider the framework could be improved, will also support markets to function well during a time of transformative change. And **deepening our research and data analytics capabilities** will ensure we have a thorough understanding of the context for our decisions, enabling us to continue to provide robust, evidence-based decisions and advice.





## Openly engage and communicate

Whether we are setting network prices, enforcing consumer protections, or reporting on service standards, our work affects households and businesses across the State. We are committed to making sure that interested stakeholders feel informed about our work and how it affects them.

At the same time, regularly and openly gathering meaningful input from our stakeholders provides us with diverse knowledge and insights that enhance the quality of our work. We recognise that we are part of a broader system that includes other market bodies, consumer groups, industry participants and government agencies.

Reflecting the importance to us of meeting this strategic objective, we have refined our **communications and stakeholder engagement strategy**. This strategy will ensure that we continue to keep interested parties informed in ways that work for them, and that we capitalise on opportunities to build and broaden our relationships, relevance and reputation.

As noted above, a key stakeholder engagement priority that we intend to put into action is **enabling consumers to have effective input**. We want to ensure that consumers can have meaningful input on price, service, and quality proposals and then verify that those views have been appropriately considered. We will ensure that our regulatory processes allow for meaningful input from everyone affected by exploring engagement methods that are fit for purpose.

We will also share with stakeholders the insights we gain through our **deepened research and data analytics capabilities**, so they feel informed about what is happening in the markets we regulate.



## Strengthen organisational culture

Our most valuable asset is our people. To deliver on the priorities set out in this strategic plan and achieve our strategic objectives, we need to enable our staff to be innovative, adaptable and resilient. We must support them to maintain their high levels of competence and commitment to regulatory excellence.

We will **empower our people to drive innovation**. We will actively listen and start with yes when approached with good ideas.

We will support our people to enhance and reshape their skills in the areas needed to meet our strategic objectives, such as in consumer and industry engagement and data analytics. We will ensure they have the capability to leverage recent investments in IT infrastructure, so that we are optimising value from the data and information that we seek and use.

This will broaden and enhance our existing training and professional development program, which supports staff to develop into highly skilled professionals who are widely considered experts in their fields.



## How we will deliver our strategic plan

Over the period of this strategic plan, we will complete the below work in order to deliver on our priorities and meet our strategic objectives:

- Monitor and publicly report on Western Power's progress implementing the AA5 final decisions, including on street lighting, rural reliability and connections.
- Review the network regulatory framework in the context of the energy transition and provide input to policy development where appropriate.
- Develop and publish guidance on our expectations for good stakeholder engagement for access arrangements.
- Review our licensing data collection, analysis and reports to improve relevance for and use by all stakeholders, including consumers.
- Reshape the annual Energy Markets Forum with a focus on proactive education to support market participants' compliance and enhancing dialogue between the ERA and market participants.
- Develop and publish our approach for assessing environment considerations when making decisions in consultation with stakeholders.
- Enhance the functioning of the Wholesale Electricity Market through:
  - Analysing and publishing market data to support our monitoring, compliance and enforcement
  - Researching and publishing on emerging market issues
  - Proposing Rule changes where necessary and contributing to the development of government policy.

We will review our progress delivering this work regularly throughout each year as well as undertake a full annual assessment of progress. We will make changes to what we are doing if we are not delivering the outcomes we have set to achieve.

We will also monitor staff views on whether we are creating a culture that encourages innovation and adaptability via our regular staff survey.



## Purpose

Our purpose is to benefit all Western Australians by promoting strong economic outcomes through effective regulation and decision making. We strive to make sure current and future consumers pay no more than necessary for safe and reliable utilities.

## Values



Integrity



Excellence



Trust

## Objectives



Embrace change



Support well-functioning markets



Openly engage and communicate



Strengthen culture

## Priorities



Empower our people to drive innovation



Be a proactive regulator



Enable consumers to have effective input



Adapt our approach to respond to emerging challenges



Deepen our research and data capabilities and share insights



Refine our communications and stakeholder engagement strategy