



ACCC and AER Corporate Plan 2013–14

www.accc.gov.au

About the ACCC & AER

The Australian Competition and Consumer Commission is an independent Commonwealth statutory authority whose role is to enforce the Competition and Consumer Act 2010 and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians.

The AER is Australia's national energy market regulator. The AER has an independent Board. The ACCC and AER share staffing, resources and facilities.

While specific functions vary according to the legislated responsibilities that underpin the ACCC and AER, the two bodies share many common objectives, both working to protect, strengthen and supplement competitive market processes.

The ACCC makes decisions through formal meetings of its commissioners and the AER through its board. ACCC commissioners and AER board members are statutory officers. The staff form part of the wider Australian Public Service.

Our values

We appreciate and uphold the APS Values of Impartial, Committed to service, Accountable, Respectful and Ethical (ICARE), and hold these additional complementary values as unique and meaningful to our work.

Independent: We pursue the interests of the Australian community, objectively and transparently.

Expert: We make timely decisions based on evidence and rigorous analysis.

Strategic: We make best use of our resources by taking considered and targeted action.

Trustworthy: We communicate honestly and directly and act respectfully.

Our plan structure

OUR PURPOSE

Our purpose statement reflects the continuing aspirations of the organisation and our statutory roles and obligations.

OUR GOALS

Our goals are what we intend to do to deliver real benefits for Australian consumers from the expert use of our legislative powers and influence.

OUR STRATEGIES

Our strategies are how we will go about achieving our goals.

OUR VALUES

How we work is underpinned by our values.

From the ACCC Chair

The Australian Competition and Consumer Commission (ACCC) plays a fundamental role in our market economy. We are about making markets work as intended.

A successful and well functioning market economy needs the incentives for innovation and dynamism that only competition can bring, and it needs the clear boundaries for commercial behaviour provided by effective competition and consumer law. Our role is critical in making markets work for consumers now and in the future, by:

- maintaining and promoting competition and remedying market failure—by preventing anticompetitive mergers, stopping cartels and intervening when we identify misuse of market power
- protecting the interests and safety of consumers and supporting a fair marketplace—addressing misleading behaviour, removing unsafe goods, and tackling unconscionable dealings
- driving efficient infrastructure—through industry specific regulation and access regimes.

In 2013–14 we will deliver outcomes in each of these areas, as well as keeping a focus on communicating clearly and constantly what we do, what we are not doing and why.

We are increasing our engagement with a broad range of partners and stakeholders, working collaboratively to improve outcomes, particularly with our fellow Australian Consumer Law regulators. Communication and engagement is key to achieving strong compliance, and in improving understanding of the benefits of a market economy.

Our regulatory responsibilities are key to the long term success of markets and infrastructure, such as in the energy sector (through supporting the work of the AER) and in other significant sectors of the economy like the transport, water, and telecommunications including the NBN. These industries are complex, and can be highly concentrated or monopolistic. Our regulatory work focuses on making markets work, even where competition is limited.

We must also concentrate on improving our performance. The ACCC's greatest strength is our expert, dedicated people. Our role is broad, our work closely scrutinised and the community has high expectations of us. We will deliver results by developing our people and processes to remain an effective agency working tirelessly for the benefit of the Australian community.

From the AER Chair

The work of the AER encompasses wholesale and retail electricity and gas markets and energy network infrastructure. In carrying out its functions, the AER is guided by the objectives of national energy legislation: to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security of supply.

One of our key functions is to regulate energy networks that transport energy to consumers (electricity poles and wires and gas pipelines) in accordance with the National Electricity and Gas Rules. There were important changes to the rules affecting our role in regulating energy network businesses announced by the Australian Energy Market Commission (AEMC) on 29 November 2012 and further energy market reforms announced by the Council of Australian Governments on 7 December 2012.

A significant amount of work will be required in 2013–14 to successfully incorporate these reforms to the regulatory framework and optimise our regulatory processes and systems. Our Better Regulation Reform Program (announced on 18 December 2012), aims to deliver improved regulation focused on the long term interests of consumers and represents an integrated package of changes to the way we approach network regulation. As part of this program, we will publish a series of guidelines in November 2013 to outline our approach to regulation under the new rules. From 1 July, the AER Consumer Challenge Panel will also play a role in helping to ensure decisions on network costs properly incorporate consumers' interests.

Our key ongoing work program covers the regulation of charges and reporting of performance of energy networks; monitoring compliance and reporting on performance in retail and wholesale energy markets, other publications on the state of the energy market and contributions to energy market policy development. These wider ongoing functions remain critically important and continue to account for a significant portion of our strategic thinking and operating activity.

We will be assisted in achieving our goals by the ACCC's strategies to improve regulatory practices, improve processes, develop our people and improve communication.

Contact us

The best way to contact the ACCC is through the Infocentre by webform or by telephone on 1300 302 502. Refer to the ACCC's **contact us** page on our website, www.accc.gov.au.

The ACCC can also be contacted at:

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**Australian
Competition &
Consumer
Commission**

Purpose: Making markets work for consumers now and in the future

Goal 1: Maintain and promote competition and remedy market failure.

STRATEGIES

- > Deliver outcomes to address harm to consumer welfare through anti-competitive conduct and improve competition under the priority areas identified in the ACCC's Compliance and Enforcement Policy.
- > Assess and review mergers to prevent structural changes that substantially lessen competition with a focus on concentrated and emerging markets and markets of significance to the Australian economy.
- > Make decisions on authorisation and notification applications and merger reviews thoroughly and efficiently and give clear guidance to merger parties, authorisation and notification applicants and market participants.
- > Improve the workability of emerging markets by advising on and enforcing industry-specific rules and monitoring market outcomes.

MEASURES

- > Outcomes and impact of actions and policies to promote competition.
- > Improved levels of effective competition and more informed and better functioning markets.
- > Prevention of structural change in markets (particularly concentrated markets, emerging markets and markets of significance to the Australian economy) that substantially lessens competition.

Goal 2: Protect the interests and safety of consumers and support fair trading in markets affecting consumers and small business.

STRATEGIES

- > Deliver outcomes under the priority areas identified in the ACCC's Compliance and Enforcement Policy to deliver a fair and competitive marketplace for consumers.
- > Multiply the effectiveness of our compliance and enforcement initiatives through an active program of stronger and managed partnerships with ACL regulators and law enforcement agencies.
- > Identify and implement nationally integrated approaches to minimise the risk of injury and death from safety hazards in consumer products.
- > Support a vibrant small business sector, deter anti-competitive and unconscionable conduct targeted at small business and facilitate collective conduct by small business operators where that conduct is assessed to provide a net public benefit.
- > Empower consumers to assert their rights under the Australian Consumer Law to secure fairer outcomes in the marketplace.

MEASURES

- > Outcomes and impact of actions to prevent or address consumer harm or unfair trading.
- > Efficiency and effectiveness of actions to promote consumer safety and fair trading, and consumer awareness and assertion of their consumer law rights.

Goal 3: Promote the economically efficient operation of, use of and investment in monopoly infrastructure.

STRATEGIES

- > Deliver network regulation to promote competition and meet the long-term interests of end-users.
- > Improve the workability of markets, including emerging markets by enforcing market rules and monitoring market outcomes.
- > Respond to government requests to provide monitoring reports on industries in highly concentrated and newly de-regulated or emerging markets.
- > Improve our regulatory practices and processes including by building relationships with domestic and international regulatory agencies to leverage their experience.

MEASURES

- > Timely, considered and evidence-based regulatory decisions based on constructive engagement and complemented by effective enforcement and compliance activities.
- > Timely provision of accurate advice to government including evaluating the effectiveness of access regimes.
- > Accurate, targeted and accessible reports on industry and competitive conditions, including pricing practices.

Goal 4: Increase our engagement with the broad range of groups affected by what we do.

STRATEGIES

- > Implement a comprehensive strategy to ensure effective communication with our diverse audiences that supports our goals.
- > Undertake an active program of stronger and managed partnerships with a broad range of organisations that can assist us deliver outcomes that impact favourably on consumer welfare.

MEASURES

- > Effectiveness and use of ACCC web sites, other media and campaign materials, in raising awareness of the role, purpose and responsibilities of the ACCC.
- > Actions pursued through public and private sector partnerships to improve consumer and small business welfare.
- > Impact and quantity of national and international advocacy and cooperation initiatives and technical assistance with an increased focus on the Asian region.

Goal 5: Increase our effectiveness as an organisation through a commitment to our people, planning and systems.

STRATEGIES

- > Build organisational capability and knowledge sharing through well trained and supported people.
- > Promote a safe, healthy and respectful work environment for our people.
- > Streamline our management of projects to maximise the use of people, skills and experience.
- > Transform our specialist legal and economic services to increase the effectiveness of our operations.
- > Transform our corporate support services and systems to increase the effectiveness of our operations.



**AUSTRALIAN
ENERGY
REGULATOR**

Purpose: Promoting efficient investments in, and efficient operation and use of, energy services for the long term interests of energy consumers

Goal 1: Promote competitive and efficient energy markets.

STRATEGIES

- > Monitor wholesale energy markets and publish clear information about market outcomes.
- > Promote a culture of compliance with electricity and gas wholesale market obligations.
- > Address energy market inefficiencies through compliance activities, submissions and rule-changes.

MEASURES

- > Effective enforcement and compliance activities that address identified harms and risks.
- > Policy processes are progressed and behaviours are changed in ways that improve the efficient operation of energy markets.
- > Accurate, targeted, timely and accessible reports on the energy industry.

Goal 2: Build consumer confidence in energy markets.

STRATEGIES

- > Encourage a culture of compliance with energy market consumer protection obligations.
- > Identify, develop and implement strategies, in consultation with consumers, to address the barriers to their effective engagement in energy markets.
- > Provide consumers with trusted sources of information on energy markets and the protections available to them under the law.

MEASURES

- > Successful implementation of the Retail Law in those jurisdictions which adopt the Law.
- > Accurate, timely and accessible monitoring reports on the retail energy businesses.
- > Effective enforcement and compliance activities that improve outcomes for consumers.
- > Clear, accurate and accessible information for consumers on energy retail markets, including through the Energy Made Easy website.
- > Implementation of effective mechanisms that encourage consumer engagement in energy retail markets.

Goal 3: Promote efficient investment, operation and use of energy networks.

STRATEGIES

- > Deliver network regulation that is in the long-term interest of energy consumers.
- > Develop and implement guidelines and incentive schemes in accordance with the new framework for network regulation.
- > Improve data analysis techniques and databases to inform regulatory decisions.
- > Develop regulatory tools and schemes that encourage efficient demand side participation in network services.
- > Develop strategies to bring a consumer perspective into regulatory processes.

MEASURES

- > Timely, considered, clear and evidence based network regulatory decisions.
- > Regulatory determinations and other decisions made in accordance with the prescribed processes and timeframes.
- > Successful implementation of new guidelines and schemes under new network regulatory framework.
- > Implementation of new analytical techniques, information requirements and data systems.
- > Network service provider performance and benchmark reports facilitate comparisons between businesses.

Goal 4: Strengthen stakeholder engagement in energy markets and regulatory processes.

STRATEGIES

- > Implement strategies to encourage greater engagement by a more diverse range of stakeholders, particularly consumers.
- > Prepare communications that are clear and provide stakeholders with information they value.
- > Work with all our stakeholders and interested parties to deliver outcomes consistent with our objective.

MEASURES

- > Stakeholders feel their perspectives are understood and valued.
- > Active consumer participation, either directly or through representative bodies, in regulatory processes.
- > Regulatory processes that clearly set out how consumer views are taken into account.
- > Network businesses' behaviour in respect of consumer engagement is positively affected by the frameworks the AER develops.

MEASURES

- > Extent to which our people's and our organisational capability has been enhanced.
- > Effectiveness of the ACCC's governance arrangements in enabling strategic decision making and in supporting compliance with our obligations.