



AUSTRALIAN COMPETITION  
& CONSUMER COMMISSION



AUSTRALIAN  
ENERGY  
REGULATOR

# ACCC and AER Corporate Plan

2020-21

August 2020

Australian Competition and Consumer Commission  
23 Marcus Clarke Street, Canberra, Australian Capital Territory, 2601  
© Commonwealth of Australia 2020

This work is copyright. In addition to any use permitted under the *Copyright Act 1968*, all material contained within this work is provided under a Creative Commons Attribution 3.0 Australia licence, with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration, diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright, but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website, as is the full legal code for the CC BY 3.0 AU licence.

Requests and inquiries concerning reproduction and rights should be addressed to the Director, Content and Digital Services, ACCC, GPO Box 3131, Canberra ACT 2601.

**Important notice**

The information in this publication is for general guidance only. It does not constitute legal or other professional advice, and should not be relied on as a statement of the law in any jurisdiction. Because it is intended only as a general guide, it may contain generalisations. You should obtain professional advice if you have any specific concern.

The ACCC has made every reasonable effort to provide current and accurate information, but it does not make any guarantees regarding the accuracy, currency or completeness of that information.

Parties who wish to re-publish or otherwise use the information in this publication must check this information for currency and accuracy prior to publication. This should be done prior to each publication edition, as ACCC guidance and relevant transitional legislation frequently change. Any queries parties have should be addressed to the Director, Content and Digital Services, ACCC, GPO Box 3131, Canberra ACT 2601.

ACCC 08/20\_20-28

[www.accc.gov.au](http://www.accc.gov.au)

# Contents

<b>1.</b>	<b>Introduction</b>	<b>1</b>
<b>2.</b>	<b>Message from ACCC Chair, Rod Sims</b>	<b>2</b>
<b>3.</b>	<b>Key ACCC activities to achieve our purpose</b>	<b>4</b>
<b>4.</b>	<b>ACCC priorities for 2020–21</b>	<b>7</b>
<b>5.</b>	<b>ACCC operating context</b>	<b>10</b>
	Environment	10
	Capability	13
	Risk oversight and management	17
	Cooperation and collaboration	19
<b>6.</b>	<b>ACCC performance measures</b>	<b>21</b>
<b>7.</b>	<b>Message from AER Chair, Clare Savage</b>	<b>25</b>
<b>8.</b>	<b>AER Vision</b>	<b>26</b>
<b>9.</b>	<b>AER Purpose and Role</b>	<b>26</b>
<b>10.</b>	<b>AER Strategic objectives</b>	<b>28</b>
<b>11.</b>	<b>AER Priorities: Key activities</b>	<b>29</b>
<b>12.</b>	<b>AER operating context</b>	<b>32</b>
	Environment	32
	Capability	33
	Risk oversight and management	37
	Cooperation and collaboration	38
<b>13.</b>	<b>AER performance measures</b>	<b>39</b>

# 1. Introduction

The *ACCC and AER Corporate Plan 2020–21* outlines the key strategies, activities, collaboration, capabilities and risk management that we use to achieve our purpose, and describes our operating environment and our performance measures. It has been prepared for the 2020–21 reporting period by the accountable authority for the purposes of paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and covers the next four annual reporting periods from 2020–21 through 2023–24.<sup>1</sup>

The ACCC is an independent Commonwealth statutory authority whose role is to enforce the *Competition and Consumer Act 2010* (the CCA) and a range of additional legislation, promoting competition, fair trading and regulating national infrastructure for the benefit of all Australians. The ACCC's purpose is *making markets work for consumers, now and in the future*.

The AER is an independent decision making body responsible for regulating energy markets and networks under national legislation and rules, which aim to promote efficient investment in, and operation and use of, energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security. The AER works to achieve its purpose, which is *energy consumers are better off, now and in the future*. The AER Board is supported by staff engaged exclusively on energy matters and also has access to specialist legal and economic staff shared with the ACCC.

The competition and infrastructure regulatory roles of the ACCC and AER should be seen in the context of the thinking that underpins National Competition Policy—that competition provides the best incentive for businesses to become more efficient, innovative and flexible and to operate in the long term interests of consumers. Where competition is not feasible, effective regulation is required to deliver outcomes in line with those achieved by competitive markets.

Together the ACCC and AER work in close coordination to champion strong, efficient and effective markets.

Our corporate plan mostly covers the work of the ACCC and AER separately, consistent with the ACCC and AER being separate programs in the Treasury's Parliamentary Budget Statement. However, as a single agency, the ACCC and AER share services provided by our People and Corporate Services division and Legal and Economic division. Accordingly, most of the content covered in the ACCC's capability section applies to both the ACCC and the AER.

The 2020–21 Corporate Plan is heavily influenced by the impacts of the COVID-19 pandemic which has required the ACCC and AER to reprioritise some of our work to addressing market issues arising and looking ahead to supporting recovery. Both the ACCC and the AER are continuing to review and reframe approaches for the future which will be set out in our 2021–22 corporate plan. The ACCC is also developing a five year strategic plan that will set a longer term vision which we will consult on and finalise in the first half of 2021.

---

<sup>1</sup> The ACCC and AER are a single listed entity for the purposes of the finance law (within the meaning of the *Public Governance, Performance and Accountability Act 2013*) under s.44AAL of the *Competition and Consumer Act 2010*.

## 2. Message from ACCC Chair, Rod Sims

While the effects of COVID-19 continue to ripple through and damage the economy, the Australian Competition and Consumer Commission (the ACCC) will continue to focus on enhancing the welfare of Australians, as well as assisting in mitigating the damage to businesses, consumers and the economy to ensure the recovery is as swift as possible.

Competition must and will survive the current crisis as it is fundamental for the recovery phase of the crisis. An open, well-functioning economy is essential to the prosperity of all Australians, and such an economy depends completely for its success on robust competition.

As the national regulator responsible for competition law, consumer protection and economic regulation, the ACCC will continue to focus our capabilities and resources on action that most promotes the proper functioning of Australian markets, improves consumer welfare and stops conduct that is anti-competitive or harmful to consumers.

This plan outlines priority areas that will guide our work over the coming twelve months. Later in 2020-21 we will publish more details on our longer term priorities in our five year strategic plan.

As we manage new priorities arising from the impact of COVID-19, the ACCC has extended a number of its 2020 compliance and enforcement priorities into 2021. This has allowed us to re-focus our efforts to those priorities of most relevance to competition and consumer issues arising from the impact of COVID-19. This includes:

- authorisation of collaboration between competitors under the existing authorisation process
- the establishment of the ACCC's COVID-19 Taskforce to tackle consumer problems arising from the crisis, particularly relating to travel, event and membership cancellations caused by COVID-19 or resulting government restrictions
- enhancing the ACCC's efforts to address any behaviour by businesses which seek to exploit the crisis either to unduly enhance their commercial position or harm consumers
- raising awareness of COVID-19 related scams.

While the pandemic has necessitated a shift in our priorities, it has not stopped our day-to-day work.

We continue to assess and review mergers to prevent permanent structural changes that substantially lessens competition. The ACCC will pay particular attention to the potential for opportunistic purchases of distressed or failing firms caused by the worsening economic climate to ensure that acquisitions of assets or businesses do not substantially lessen competition.

The safety of consumer products remains a high priority, with a focus on targeted action in relation to Takata airbags, button batteries and the safety of products sold on online platforms.

The ACCC is taking a multi-faceted approach to digital platforms given the increasingly important role they play in the economy. Our focus is on both consumer and competition enforcement and regulation, so investigating and pursuing what needs to be done to protect consumers and allow businesses to compete on their merits in the growing digital economy is now a core part of our work. This is alongside our government directed inquiries into digital advertising services and digital platform services as well as addressing the bargaining power imbalances between Australian news media businesses and digital platforms.

We are committed to ensuring compliance with the Dairy Code of Conduct, as well as small businesses receiving the protections of the competition and consumer laws with a focus on the Franchising Code of Conduct.

The Consumer Data Right will enhance competition, with consumers having more control over their information leading to more choice in where they take their business and more convenience in how they manage their services. Following the successful commencement of live sharing of consumer banking

data on 1 July 2020, we will continue to implement the consumer data right in relation to banking and progress preparations for implementation in the energy sector.

Our infrastructure priorities include delivering effective network regulation across a number of sectors, such as NBN access arrangements that support more competitive and efficient retail markets that provide minimum service standards and entry-level pricing, and establishing regulated access terms for the interstate rail network and bulk wheat facilities.

We are taking steps that will also strengthen the functioning of markets and promote performance-based competition in concentrated sectors such as communications, fuel, airports, gas and electricity through monitoring, reporting and transparency measures.

In accordance with a Government direction, the ACCC will be looking out for any early signs of damage to competition in the domestic airline industry which could harm the long-term interests of consumers. This information can then be quickly acted on by the ACCC and/or provided to the Government.

In 2020–21 the ACCC will complete market studies and inquiries covering a range of sectors, including the financial sector (home loans), Murray Darling Basin water markets, and the supply of home, contents and strata insurance to consumers in northern Australia.

In undertaking all of our functions we will continue to seek to minimise the regulatory burden imposed on businesses, especially the impact on businesses already under pressure due to COVID-19.

The ACCC collaborates and cooperates with a wide range of stakeholders to achieve our purpose, including other Australian and international enforcement and regulatory agencies; business, industry, and consumer advocacy groups; the Treasury and various other government departments and agencies. Our international engagement and collaboration with our peers reflects the need to understand and respond to emerging issues in global markets for goods and services.

With the majority of our employees continuing to work remotely as we progress through the second half of 2020, we fully realise the challenge in maintaining a connected and collaborative environment that boosts knowledge sharing and innovative thinking, leading to engaged teams and better compliance, enforcement and other regulatory outcomes for the benefit of all Australians.

### 3. Key ACCC activities to achieve our purpose

The ACCC program is to achieve compliance with the Competition and Consumer Act (CCA) and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.

The ACCC employs the following strategies to achieve our purpose of making markets work for consumers, now and in the future.

#### **Strategy 1—Maintaining and promoting competition**

Competitive markets lead to lower prices, better quality products and services, greater efficiency and more choice, all of which benefit consumers. As Australia's national competition regulator, the ACCC works to enhance the welfare of Australians by maintaining and promoting competition.

The ACCC does so by enforcing laws in Part IV of the CCA that prohibit:

- cartel conduct
- anti-competitive agreements and practices, including concerted practices
- misuse of market power
- mergers which substantially lessen competition.

The CCA allows the ACCC to consider applications for authorisation and notifications, which provide an exemption for arrangements that may otherwise breach the competition law but are not harmful to competition or are likely to result in overall public benefit.

The Consumer Data Right (CDR) provisions of Part IVD of the CCA also aim to create more choice and competition by:

- allowing consumers to request businesses to disclose the consumer's own data, either to them or to an accredited person who can use that data to provide services to the consumer
- requiring businesses to make product information easily accessible to any person.

The ACCC's regulation of natural monopoly infrastructure services and monitoring of certain industries also promotes competition.

ACCC market studies and inquiries are important tools for diagnosing problems associated with markets and competition. They provide a foundation for advocacy to maintain and promote competition.

#### **Strategy 2—Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and small business**

The ACCC takes appropriate action to address alleged breaches of the Australian Consumer Law (ACL) and Industry Codes. Each year the ACCC reviews its compliance and enforcement priorities as well as its product safety priorities to determine where to focus its efforts to maximise impact on preventing and redressing harm to consumers and small businesses. The ACCC consults with ACL regulators, consumer advocacy groups, small business representatives, external dispute resolution and ombudsman schemes and other government departments on current and emerging issues; and also analyses data from thousands of people who contact the ACCC Infocentre.

The Australian Consumer Law gives consumer regulators a single set of provisions to respond to fair trading and consumer protection issues. The ACL also allows regulators to collectively work on broader issues and take proactive and timely compliance and enforcement action. The ACCC works closely with the Treasury, the Australian Securities and Investments Commission, and state and territory consumer protection agencies on national compliance and enforcement projects.

The ACCC also works with businesses, industry associations and consumer groups to inform businesses and consumers of their rights and obligations under the CCA through engagement, education and the provision of specialised information. The ACCC's educational campaigns also support consumers to navigate complex or difficult consumer choices to help them make smart choices.

The ACCC helps to ensure small businesses understand and comply with their obligations and encourages them to exercise their rights under the CCA as the customers of larger suppliers. The ACCC's aim is to promote a competitive and fair operating environment for small business and, importantly, ensure small businesses understand how the legislation can help them.

The ACCC uses an intelligence-led approach to assess current and emerging consumer product safety risks. The ACCC reviews a range of data sources to identify issues that may present a safety concern. Data sources include mandatory reports of serious illness, injury or death, recalls that have taken place internationally, and information received from the community. The ACCC assesses information received and, where warranted, takes action including:

- negotiating the recall of goods
- educating industry and consumers
- negotiating voluntary changes to packaging labelling or product design
- working to introduce changes to voluntary or mandatory requirements
- introducing and/or working to implement changes to existing product safety mandatory standards and bans, and
- making recommendations for regulatory action by the Minister, including in relation to making standards, bans and issuing compulsory recalls.

### **Strategy 3—Promoting the economically efficient operation of, use of, and investment in infrastructure; and identifying market failure**

The ACCC is the national regulator of natural monopoly infrastructure services in communication, postal services and rail industries, and has specific regulatory roles in relation to bulk water and bulk wheat port facilities. Fostering efficient infrastructure provision through industry-specific regulation and access conditions, under the umbrella of the long term interest of end users, is the major focus of the economic regulatory role. Access conditions that promote competition in upstream and downstream markets increase the efficiency and productivity of the overall economy.

The ACCC monitors and reports on the price and quality of goods and services available in some highly concentrated, newly deregulated or emerging markets so as to identify market failure and promote competition. This role concerns the petrol, airports, gas, electricity, telecommunications and stevedoring sectors.

The ACCC also has a role in enforcing industry-specific competition and market rules in some infrastructure-based markets.

The ACCC's regulatory role also supports our competition advice and advocacy efforts directed at ensuring Australian markets operate within a policy framework that facilitates competition and efficient investment in key infrastructure networks and services.

### **Strategy 4—Undertaking market studies, inquiries and monitoring to support competition, consumer and regulatory outcomes**

Relevant ministers may direct the ACCC to undertake certain activities, including market studies, inquiries and monitoring. These enable the ACCC to develop a sophisticated understanding of how well competition and markets are working in particular sectors, bring transparency and awareness to issues allowing changed behaviour from business and consumers and make recommendations to improve the functioning of markets. The ACCC can also undertake self-initiated market studies.



Diagram 1: Overview of ACCC strategies and deliverables

► **Purpose: making markets work for consumers, now and in the future.**

**Program 1.1: ACCC**

To achieve compliance with the *Competition and Consumer Act 2010* and other legislation to protect, strengthen and supplement the way competition works in Australian markets and industries to improve the efficiency of the economy and to increase the welfare of Australians.

**Maintaining and promoting competition**

- Deliver outcomes to address harm to consumers and businesses resulting from anti-competitive conduct.
- Assess mergers to prevent structural changes that substantially lessen competition.
- Make decisions on authorisation, notification and certification trademark applications in the public interest.
- Reliably support the operation of the Consumer Data Right for banking and deliver change program to expand the Consumer Data Right.

**Protecting the interests and safety of consumers, and supporting fair trading in markets affecting consumers and small business**

- Deliver outcomes to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law and Industry Codes.
- Enhance the effectiveness of the ACCC's compliance and enforcement initiatives through partnerships.
- Identify and address the risk of serious injury and death from safety hazards in consumer products.
- Support a vibrant small business sector.
- Empower consumers by increasing their awareness of their rights under the Australian Consumer Law.

**Promoting the economically efficient operation of, use of, and investment in infrastructure; and identifying market failure**

- Deliver network regulation that promotes competition in the long-term interests of end-users.
- Provide industry monitoring reports to government in relation to highly concentrated, newly deregulated or emerging markets.
- Improve the efficient operation of markets by enforcing industry-specific competition and market rules.

**Undertaking market studies, inquiries and monitoring to support competition, consumer and regulatory outcomes**

- Develop a sophisticated understanding of how well competition and markets are working in particular sectors and provide advice on a broad range of competition and consumer issues.

## 4. ACCC priorities for 2020-21

The ACCC publishes its [Compliance and Enforcement Policy](#) annually, which sets out the principles we adopt to achieve compliance with the Act, and outlines our compliance and enforcement functions, strategies and tools we use to achieve compliance with competition and consumer laws.

As Australia's peak consumer protection and competition agency, the ACCC has a number of enduring compliance and enforcement priorities: cartel conduct; anti-competitive agreements and practices and the misuse of market power; consumer product safety; conduct impacting vulnerable and disadvantaged consumers; and conduct impacting Indigenous Australians, particularly in relation to challenges associated with living in remote areas.

The ACCC's [compliance and enforcement priorities in 2020](#) include:

- competition and consumer issues relating to digital platforms
- competition and consumer issues in the funeral services sector
- competition and consumer issues arising from the pricing and selling of essential services, with a focus on energy and telecommunications
- misleading conduct in relation to the sale and promotion of food products, including health and nutritional claims, credence claims and country of origin
- conduct affecting competition in the commercial construction sector, with a focus on large public and private projects and conduct impacting small business
- ensuring that small businesses receive the protections of the competition and consumer laws, with a focus on the Franchising Code of Conduct
- ensuring compliance with the Dairy Code of Conduct
- empowering consumers and improving industry compliance with consumer guarantees, with a focus on high value goods such as motor vehicles and electrical and whitegoods

In March 2020 we adjusted the focus of our regulatory activities to address the impact COVID-19 is having on Australian consumers and businesses. While the 2020 compliance and enforcement priorities remain in place, we have re-focussed our efforts to those priorities of most relevance to competition and consumer issues arising from the impact of COVID-19. The modified priorities and COVID-19 related activities are:

- enhancing the ACCC's efforts to address any behaviour by businesses which seek to exploit the crisis either to unduly enhance their commercial position or harm consumers
- providing advice for businesses and consumers relating to consumer guarantees and specific consumer and small business issues arising from the impacts of COVID-19
- establishment of an internal COVID-19 Response Taskforce
- raising awareness of COVID-19 scams
- 'price gouging' for essential products. While price gouging is generally not illegal, if a business makes misleading claims about the reason for price increases, it will be breaching the Australian Consumer Law. It is also possible that extreme price gouging for essential products may amount to unconscionable conduct.

This refocus has reduced the resources we can allocate to some of the priorities we identified in early 2020. In these circumstances, the ACCC intends to extend the period in which it will focus and deliver upon these priorities beyond 2020.

Each year we release a stand-alone consumer product safety policy setting out the principles we adopt to prioritise and address product safety risks. State and territory ACL regulators have endorsed these as national priorities. In 2020 our [consumer product safety priorities](#) include:

- finalising the compulsory recall of vehicles with Takata airbags
- pursuing regulatory options to prevent injuries and deaths to children caused by button batteries
- implementing strategies to prevent injuries and deaths to infants caused by sleeping products identified as unsafe
- improving product safety e-commerce through enhanced compliance commitments from online platforms
- scoping more effective risk controls for potential intervention to prevent injuries and deaths caused by furniture falls, including toppling furniture.

Consistent with its Compliance and Enforcement Priorities, with the refocus towards COVID-19 priorities the ACCC will not complete some of its 2020 product safety priorities this calendar year and plans to extend the time within which they are to be delivered into 2021.

The ACCC will continue to assess and review mergers via both the informal clearance process and merger authorisation process to prevent permanent structural changes that substantially lessen competition. Our work in 2020–21 will be impacted by COVID-19 because we expect that there will be an increase in distressed or failing firms caused by the worsening economic climate. The ACCC will closely consider firms that seek to make opportunistic purchases of competitors that are distressed or failing. The ACCC will pay particular attention to these distressed firm situations to ensure that acquisitions of assets or businesses do not substantially lessen competition. At the same time, we will make decisions on proposals that do not lessen competition efficiently so that the businesses can be sold in a timely fashion.

The COVID-19 pandemic has seen a large number of urgent applications for authorisation with more than a year's worth of applications in a short period of time at the initial peak of the crisis and further applications continuing to arise. The ACCC has redirected significant resources to meet this demand. The ACCC will continue to assess applications for authorisation and notification of certain anti-competitive conduct. Our focus will continue to be on authorisations related to COVID-19, and ensuring these are dealt with efficiently so Australian business and government responses to the pandemic that require authorisation are able to proceed as quickly as possible.

The ACCC will continue to implement the Consumer Data Right (CDR) in banking and prepare for its expansion into additional sectors of the Australian economy, including energy. It will also continue to promote consumer and business understanding of, and business' compliance with, the CDR.

The CDR is a significant economy wide reform and we recognise that there may be a period of transition for CDR participants to ensure their systems and processes fully meet their obligations under the CDR regulatory framework. There are some forms of conduct that are likely to result in significant detriment to consumers and the integrity of the CDR regime and will therefore always give grounds for the consideration of enforcement action, including conduct that involves:

- data holders that repeatedly refuse to disclose, or frustrate the process of disclosure of, consumer data by intentionally circumventing the CDR Rules or Data Standards
- misleading or deceptive conduct
- misusing or improperly disclosing consumer data
- accredited data recipients collecting CDR data without valid consent
- CDR participants having insufficient controls and processes to protect CDR data.<sup>2</sup>

---

2 In May 2020 the ACCC and the Office of the Australian Information Commissioner published a joint Compliance and Enforcement Policy for the Consumer Data Right. The Policy outlines the approach both agencies will take to encourage compliance with CDR Rules and prevent breaches of the CDR regulatory framework, which is underpinned by the objective of ensuring that consumers can trust the security and integrity of the CDR regime.

The ACCC's economic regulation priorities for 2020–21 include:

- promoting NBN access arrangements that support more competitive and efficient retail markets that provide minimum service standards and entry-level pricing as the NBN concludes its broad acre construction phase
- overseeing new rules for the functional separation of superfast broadband networks
- promoting efficient competition, consumer and efficiency outcomes by providing expert advice on spectrum and consumer safeguards in telecommunications, and identifying other areas for law reform
- establishing regulated access terms for the interstate rail network and bulk wheat facilities
- investigating electricity retail supply to identify and address inefficiencies
- identifying and addressing inefficiencies and competition issues by conducting government-directed market studies and inquiries, including an additional role in monitoring airlines in response to emerging threats to competition associated with the economic impacts of COVID-19
- strengthening the functioning of markets and promoting performance-based competition in concentrated sectors such as communication, fuel, airports, container stevedoring, gas, insurance, bulk wheat and electricity through monitoring, reporting and transparency measures
- ensuring compliance with industry specific regulation to support positive competition and consumer outcomes in communications and electricity markets.

In 2020–21 the ACCC will continue to undertake market studies, inquiries and monitoring covering a broad range of sectors, including:

- Murray Darling Basin water markets
- home loans
- supply of home, contents and strata insurance to consumers in northern Australia
- digital advertising services
- digital platform services
- domestic air travel market, and
- supply chains for perishable agricultural goods.

# 5. ACCC operating context

## Environment

The ACCC operates in a complex and constantly evolving economy-wide environment. This requires us to remain abreast of best international practice in regulation, and the associated legal and economic fields. We also maintain close ties with Commonwealth and state and territory agencies and our overseas counterparts to ensure we understand the local, national and international contexts we are operating in.

Below are some of the key environmental factors that will influence the way we operate over the next four years.

### Deferral of the 2020–21 Federal Budget

Like all APS entities, the agency is awaiting the October Federal Budget process to determine its overall 2020–21 budget allocation. This will influence the manner in which we deliver on the corporate plan.

### Response to impacts of COVID-19 pandemic

The COVID-19 pandemic has dramatically changed the economic landscape in Australia and substantially impacted businesses, consumers and the way we work. The ACCC has responded to the crisis by:

- adjusting our staffing and work streams to process the substantial increase in applications from businesses to authorise collaborative activity that would ordinarily be anticompetitive
- establishing a COVID-19 Taskforce to rapidly respond to a large number of issues impacting Australian consumers and businesses as a result of the pandemic
- seeking to minimise the regulatory burden as far as possible whilst continuing to undertake our statutory obligations to enforce the CCA and other legislation
- utilising and building on our pre-existing 'work from home' protocols so that most employees could quickly transition to working from home.

The ACCC is working to process applications from competing businesses to authorise collaborative activity that would ordinarily be anticompetitive. The ACCC has the ability to do this under the CCA, where the likely public benefit from the activity outweighs the likely public detriment.

In normal times, coordination leads to complacency, inefficiency and higher prices. However, where collaborative activity between competing businesses is an appropriate response to this crisis, the ACCC is working with companies to shape their applications, and approving them generally within one to two days on an interim basis. The ACCC may review and revoke these interim authorisations at any time, including in response to industry feedback and public consultations.

We can ensure price-fixing and other anticompetitive activities remain outside the scope of any authorised activity. When the crisis is over, these authorisations can be revoked. Importantly, the crisis collaborations are transparent and for this reason, the ACCC can actively monitor their unwinding after the crisis.

The COVID-19 Taskforce is focusing on early intervention by engaging directly with businesses, relevant state and federal government agencies, and consumer and other representative groups. This includes:

- working to address immediate problems facing consumers due to the cancellation of services and failure of many businesses to provide refunds and remedies
- contacting numerous businesses to advise of their obligations and, if necessary, change their approach
- providing warnings about the inevitable scams and misinformation appearing online
- addressing poor behaviour such as price gouging through advocacy, including contacting major platforms to encourage them to take down ads for excessively priced essential products.

While the ACCC has no role in setting or regulating the prices of most goods and services, we can take enforcement action where we find price gouging conduct to be unconscionable, or where statements regarding prices are misleading.

The ACCC Infocentre is the initial contact point for enquiries and reports from consumers and businesses about competition, consumer, product safety and fair trading issues. The number of contacts we receive via email, telephone, letter and forms on our websites has substantially increased in recent years to more than 300 000 per annum. With the COVID-19 pandemic we have also seen an increase in the number of contacts which require a response. As our Infocentre capacity is resource constrained we have had to adjust our call answering service level goal while also continuing to encourage web-based contacts.

The ACCC is minimising the regulatory burden as far as possible by adjusting the timeframes for many of our regulatory and monitoring processes and market studies and inquiries to allow businesses additional time when involved with these important functions.

We are also carefully considering the impact on businesses already under pressure when making decisions about the scope and timing of statutory notices for the production of information and documents. We are minimising the use of compulsory examinations, and where they are necessary conducting them by phone or video conference.

The ACCC has offices located in each Australian state and territory. We were well-placed to respond to the need for most staff to work from home during the crisis due to targeted investment in necessary ICT capability in recent years and our existing flexible working arrangements.

We quickly supplemented our ICT capability so that during the nationwide restrictions we had over 97 per cent of employees work from home each day. Whilst many staff will need to continue to work from home in the short term, as social distancing restrictions are eased in each jurisdiction our employees will continue return to the office when safe to do so.

## Responding to changing industries

The digital economy has much to offer consumers. It can deliver increased choice, improved services and provides people with the convenience to shop whenever and wherever they like. The high-tech consumer world, however, also provides us with many consumer protection challenges. The ACCC will continue to focus on systemic competition, consumer and product safety issues in the online marketplace.

The ACCC has a significant forward work program related to digital platforms, which has arisen from the ACCC's 2019 Digital Platform Inquiry. We will conduct two further inquiries, the Digital Advertising Services Inquiry and the Digital Platform Services Inquiry. We will continue to work with the Government in developing the mandatory bargaining code to address the imbalance of market power between news media businesses and each of Google and Facebook, and, separately, developing a merger notification protocol for the major digital platforms.

Continuing to investigate and identify measures to alleviate competition and consumer issues in the gas and electricity markets will be a focus. In particular we will build on the extensive work done in the gas and electricity inquiries to advocate for action by governments to improve supply conditions and

the operation of the supply chain, to seek to restore Australia's competitive advantage in domestic energy supply.

In infrastructure, the ACCC will maintain its core objective of supporting long-term interests of end users by promoting effective upstream and downstream competition in Australian markets, and will facilitate efficient investment in key infrastructure networks and services. The ACCC will seek to promote competition in infrastructure markets where competition is feasible and seek opportunities to advocate for appropriate reforms and new regulatory systems where it sees any potential for market failure. For the period ahead, this will include ongoing advocacy measures to support the developing electronic-conveyancing market and reform of gas pipeline regulation to better promote efficient outcomes.

The aviation industry globally has been severely impacted by the COVID-19 pandemic, and is a critical industry to Australia. In accordance with the direction from the Australian Government to actively monitor and regularly report on the domestic air travel market, the ACCC will be looking out for any early signs of damage to competition in the domestic airline industry which could harm the long-term interests of consumers. This information can then be quickly acted on by the ACCC and/or provided to the Government.

## **Implementing new roles in respect of the new Consumer Data Right**

The ACCC is the lead implementation agency of the Consumer Data Right. The Commonwealth Treasury, Office of the Australian Information Commissioner and Data Standards Body also administer functions as part of the co-regulatory model. We work closely with these and other government agencies in performing our roles, along with industry and interested stakeholders as appropriate.

The Consumer Data Right was first applied to banking. Live sharing of some types of consumer data for banking commenced on 1 July 2020, with further banking products and services to be introduced in phases. The Government has designated the energy sector as the next sector in which the Consumer Data Right will be implemented. Other sectors may also be designated in future.

Further changes may also come out of recommendations of the Inquiry into future directions for the Consumer Data Right which is due to report to the Treasurer in September 2020.

## **Adapting to changes to the competition and consumer law frameworks**

The way we undertake our responsibilities will continue to adapt to changes in the Australian competition and consumer protection law framework. We respond to public debates and advocate for frameworks which are enforceable and effective in promoting competition and fair trading, and making markets work for consumers. The ACCC also facilitates the transition of businesses and consumers to new legal frameworks by issuing guidelines in respect of changed laws.

## **Product safety in changing consumer markets**

The ACCC aims to be adaptable and flexible in its product safety work in response to frequent changes in our economic environment, most notably the trend towards e-commerce, which has accelerated as a result of the COVID-19 pandemic.

When safety issues arise, they can be complex and require the ACCC to develop national solutions in consultation with a range of agencies, including with specialist safety regulators. The ACCC is required to carefully analyse the costs and benefits of regulatory intervention.

The ACCC will continue to focus resources towards assessing and managing the risk of unsafe products where there could be widespread serious injury, or death. We will continue to work with stakeholders to encourage the supply of safe consumer products, communicate serious risk, and where necessary develop evidence based interventions. In line with our product safety priorities and the increase in online shopping driven by COVID-19, a key focus will be working with online platforms and e-retailing stakeholders to secure increased compliance commitments. We will also provide education and information to these businesses to assist them to meet their product safety obligations at a time when they are facing increased consumer demand.

Additionally, the ACCC will build its collaboration with international and domestic regulators to discuss and address consumer product safety concerns specific to the online market.

## Impacts of natural disasters on Australian businesses and consumers

The ACCC is conscious of changes to the social and economic structure we operate in, including natural disasters and other environmental factors which impact consumers and business. The impact of the bushfires and droughts on consumers and businesses will continue to have an impact, and we will prioritise work with other regulators that supports recovery.

## Capability

As a single agency, the ACCC and AER share services provided by our People and Corporate Services division and Legal and Economic division. Accordingly, much of the content in the section applies to both the ACCC and the AER. Reference to 'the agency' means the AER and ACCC.

In developing our capabilities over the reporting period, the agency has four key internal capabilities that we will focus on over the four year planning period. These are:

- **Our People.** Our operational success relies upon the agency being able to continue to attract and retain high performing and collaborative people who we equip with the right skills, tools and knowledge. We will do this by ensuring:
  - we attract, support and retain the best people
  - our people have the knowledge, tools and resources they need to work effectively and sustainably
  - our people have the skills and knowledge they need now and in the future.
- **Our use of technology and data.** In the short to medium term it is crucial we stabilise and modernise our ICT and business systems. We must be a match for the businesses we regulate in data expertise. We will do this by ensuring we:
  - invest to deliver the new capability we need
  - simplify and where possible automate our systems
  - have sufficient data expertise
  - have reliable, flexible and secure systems.
- **Our ways of working.** In an environment of constrained resources and rapidly changing challenges it will be increasingly crucial the ACCC works in a way that allows resources to be prioritised and allocated flexibly. We will do this by ensuring that:
  - the appropriate resources are allocated to priority areas
  - our organisational structure is adaptive that supports new ways of working and faster decision making
  - innovative and acceptable risk taking is part of our culture.
- **The stewardship of the agency.** We will nurture our role as an independent regulator with robust decision making that is responsive to complex challenges and demands. We will do this by ensuring that:
  - our role is clear in the face of expanding responsibilities
  - our connections with external stakeholders provide opportunities for better outcomes for consumers
  - our internal collaboration assists us to achieve better outcomes for consumers
  - change is managed successfully in the organisation.

The following sections provide further detail about the agency's capabilities.



## Governance

The agency's strong corporate governance framework equips us as an organisation to achieve our strategic goals while complying with legislation and policies, maintaining performance standards and making the most cost-effective use of resources.

The ACCC makes statutory decisions through formal meetings of its Commission, assisted by subject matter committees (such as the Enforcement Committee and the Mergers Review Committee) and various specific project boards. ACCC Commissioners are full time statutory office holders. ACCC Commissioners collectively have a clear view of the connection between their statutory decision-making on particular matters and the overall staffing resources and legal expenditure implications of those decisions.

The Corporate Governance Board sits at the apex of the governance structure. ACCC Commissioners and the AER Chair and Deputy Chair form the Corporate Governance Board. The Board is assisted by the Audit Committee and the Legal Committee, and is well equipped to oversee our corporate and financial performance.

## People

The priority for 2020–21 will be supporting our people through and post COVID-19. This will require a continuing investment in tools and resources that support our people to manage their wellbeing, facilitate flexible work practices, identify and mobilise people to priority work, provide contemporary learning and development through online platforms, and build supervisor competence.

We will also continue to progress the important work the agency has committed to for the long-term benefit of our culture. This includes work to enable a more diverse and inclusive workplace, develop leadership talent and ensure we have insights from workforce analytics to plan for our future workforce needs.

## Financial management and capital investment

The ACCC and AER have a coordinated Strategic Financial Plan and a five year budget model that models the current financial year and out-years. This provides an outlook as to the future capacity of the agency. The model is only an indicator at a point in time, as additional functions can be assigned to the ACCC and AER with varying levels of funding attached.

Over the past few years we have grown financial management capacity and skills to achieve a significant increase in the financial maturity of the agency and our executive managers. This is filtering down to lower levels of management to ensure a thorough understanding of the importance of financial management, and to provide experience for future senior managers.

Four-year budget estimates for the ACCC and AER are published annually in the Treasury's Portfolio Budget Statements. Due to the COVID-19 pandemic and subsequent delay in the 2020–21 Federal Budget to October 2020, the following tables reflect the most recent confirmed budget—the Portfolio Additional Estimates 2019–20 published in February 2020. The tables set out the ACCC's and AER's funding (in nominal \$s) for 2019–20 and forward years of the budget estimates. The tables also include funding confirmed for the MYEFO 2019–20 budget measures consisting of: the Inquiry into the Murray Darling Basin Water Market; ongoing funding for the Agriculture Unit and Commercial Construction Unit; extension of the Gas Inquiry; establishment of a permanent Digital Platform Unit; annual funding for the National Consumer Data Right; and additional funding for ACCC functions.

#### Program 1 ACCC 2019–20 to 2022–23 (\$millions)

	2019–20	2020–21	2021–22	2022–23
<b>Appropriation</b>	191.75	174.83	166.88	150.28

#### Program 2 AER 2019–20 to 2022–23 (\$millions)

	2019–20	2020–21	2021–22	2022–23
<b>Appropriation</b>	67.46	63.79	63.88	64.30

The ACCC has a capital investment management plan that provides a forward looking strategy that integrates capital asset replacement within a constrained capital budget and planning framework.

Capital investment falls into four discrete categories: property, ICT investment, ICT refresh, and office equipment. Across these categories, strategic decisions will be made regarding the:

- nature and composition of asset replacement (for example, relocation of the Sydney and Canberra offices, or the replacement of major ICT systems)
- prioritisation and scheduling of asset replacements within capital budget constraints
- method of acquisition—capital constraints within a tight operating environment may predispose a lease option as opposed to a capital purchase
- funding source and budget context, particularly for projects identified as potential candidates for new policy proposal funding.

In 2020–21 we have a property fit out for new office accommodation in Sydney which will be funded from reserves.

The property refurbishments are highlighted as major decision points and planning will be undertaken to assess the agency's ability to fund capital works from new funding or reserves (if required), however a review of the capital budget will be required going forward.

## ICT capability

The ICT Strategy 2017–20 underpins the goals and strategies of the ACCC and AER. To fulfil its role within the agency, the ICT group must keep its costs to a minimum while delivering the full extent of the ICT needs of the organisation.

Service delivery will be focused in the following areas:

- data governance and management to enable intelligent data analysis to support informed and more nimble decision making
- a coordinated approach to information management that will provide scope for improving business value and additional organisational efficiencies
- a digital innovation framework that describes how an idea can progress from inception through to the creation of a business case; to the development and implementation stages; and to the harvesting and measurement of the benefits created
- providing efficient user interfaces, reducing the number of times information or data is stored, and ensuring the same information is only entered once
- focus on adhering to Government cyber security guidelines and monitoring malevolent activity; and increasing ICT Security awareness across the ACCC and AER.

The ICT Strategy will be updated following confirmation of the agency's budget in October 2020.

## Communication

The ACCC communicates proactively with diverse audiences and stakeholders across a range of different channels, including mainstream media and social media channels and direct e-news bulletins. Importantly, it provides information and educational material via its websites, including the ACCC, Scamwatch, Product Safety Australia and Consumer Data Right websites, so people can access information when they need it. CDR.gov.au launched in 2020 to serve as the ACCC's key platform for industry and consumer education and engagement as it implements Consumer Data Right.

The ACCC's media engagement aims to reach consumers, small business people, corporates, government stakeholders and others with messages about the agency's decisions and enforcement actions—including to encourage deterrence—and promote general awareness of issues such as consumer guarantees and fuel pricing information.

## Legal and economic

The Legal and Economic Division is an integrated in-house service provider, delivering strategic advice and expert legal, economic and data analysis and legal technology support across all the activities of the ACCC and the AER. It also provides support to the National Competition Council.

The Legal Group assists the ACCC and AER in making legally informed decisions, and adopt processes for decision-making that are appropriate for a statutory agency. It assists in managing the agency's litigation including through facilitating, as an informed purchaser, external legal services which are engaged to provide assistance in matters approaching litigation. In addition, it provides integrated, specialist legal technology services to line areas across the agency including managing high document volumes and deployment of AI. It also provides expert advice in managing the agency's corporate legal obligations.

The Economic Group facilitates the consistent and robust use of economic principles in decision making, increases the quality of economic analysis and contributes to economics-related learning and development initiatives. The Economic Group is committed to strengthening the quality of economic analysis in the organisation and to maximising the influence of economic principles including through supported capability growth.

The Strategic Data Analysis Unit provides expert quantitative advice and support to line areas of the agency. Members of the unit work on key inquiries and matters where the use of complex data and analysis is required. The unit also assists with framing analysis, determining data sources, performing analysis and communication of analytical results.

The Division also leads the data governance function which is an increasingly important part of the way the agency operates. Data generation is growing exponentially in the economy. To meet the challenges this poses, the agency is investing in data by: strengthening and streamlining its data governance processes; improving how it stores and accesses data across teams; and building staff capability with the skills and resources to get the most out of data to inform its work.

# Risk oversight and management

## Risk oversight and management systems

The *ACCC and AER Enterprise Risk Management Framework* includes risk management policies and guidelines which communicate accountabilities, responsibilities and expectations of all employees in ensuring the management of risk across the agency. Risks are managed by regular risk assessments and implementing practical and cost-effective risk treatments commensurate with business need. We aim for best practice in controlling all risks by identifying priority exposures, addressing them through improvement strategies and contingency planning, and monitoring and reviewing ongoing risk.

The link between risk and strategic objectives is reinforced through the maintenance of agency and divisional risk profiles. This is further supported by the internal audit program which provides assurance on our business processes and performance as well as our compliance with relevant statutory requirements, including those under the PGPA Act, with topics selected based on an assessment of the agency's risk profile.

The agency continues to improve approaches to achieve a higher level of risk maturity. This is being achieved through the continued integration of effective risk management throughout the business activities of the ACCC and AER, improved overall risk capability, and further embedding a positive risk culture. Other areas of focus continue to be the education and training of employees in risk management, delivering improved tools and guidance, further enhancing the agency's systems of monitoring and reporting risks through the business planning and quarterly report processes, and encouraging innovation through calculated risk taking. The Audit Committee also plays an active role in these areas by engaging with divisions around risk management.

## ACCC key risks

The ACCC is managing seven key risks, as detailed in the table below. In addition to the specific ways in which the risks are managed, the ACCC relies on its strong governance framework, including oversight from the Corporate Governance Board and Audit Committee.

Key risk	How the risk is managed
Significant operational failure in relation to a criminal cartel matter or prosecution	<ul style="list-style-type: none"><li>▪ Oversight by the Enforcement Commission and the Serious Cartel Board.</li><li>▪ Planning in the Specialised Enforcement and Advocacy Division (SEAD) business plan and ongoing close management by senior SEAD personnel.</li><li>▪ Formation of a new practice management team to increase process efficiency.</li><li>▪ Maintaining effective relationships with the Commonwealth Director of Public Prosecutions and Australian Federal Police.</li><li>▪ External assurance including through internal audit conducted in 2019-20.</li></ul>
Significant operational failure in relation to consumer product safety (especially in relation to Takata airbags)	<ul style="list-style-type: none"><li>▪ Oversight by the Enforcement Committee and the Compliance and Product Safety Committee.</li><li>▪ Planning in the Enforcement Division and Consumer and Product Safety Division (CPSD) business plans, and close management by senior CPSD personnel.</li><li>▪ Identification of annual Product Safety priorities to assist with allocating the limited resources available.</li><li>▪ Maintaining good relationships with state and territory regulators, specialist regulators, and international counterparts.</li><li>▪ External assurance including through internal audit conducted in 2018-19.</li></ul>

Implementing the Consumer Data Right (CDR)	<ul style="list-style-type: none"> <li>▪ Oversight by the ACCC CDR Committee and the external CDR Governance Board consisting of senior officials from the ACCC, Treasury, Office of the Australian Information Commissioner, Data Standards Body, Digital Transformation Agency and the Commonwealth Departments of Finance, Prime Minister and Cabinet, and Attorney General.</li> <li>▪ Detailed planning in the CDR Division business plan and close management by senior CDR personnel and a dedicated Program Management Office.</li> <li>▪ Working closely with and consulting with key stakeholders including the relevant businesses and Government.</li> <li>▪ Targeted recruitment to fill key capability gaps including dedicated Cybersecurity team to identify and mitigate any gaps that may compromise system security.</li> </ul>
Confidentiality breach	<ul style="list-style-type: none"> <li>▪ Oversight by the Executive Management Board and the Information Security Committee.</li> <li>▪ Strong internal policies and practices including Standard Operating Procedures (SOPs) and a privacy management plan.</li> <li>▪ Internal guidance and education.</li> <li>▪ Program to implement range of identified areas for improvement to enhance risk controls.</li> <li>▪ External assurance including through internal audit in 2018-19.</li> </ul>
Cybersecurity breach or cyber-attack	<ul style="list-style-type: none"> <li>▪ Oversight by the Executive Management Board and the Information Security Committee.</li> <li>▪ Close management by CIO, ASA and ITSA. Sound internal policies and plans including Cyber-security incident response plan and IMTS recovery plan.</li> <li>▪ Internal guidance and education.</li> <li>▪ Ongoing program of self-assessment and testing.</li> <li>▪ External assurance on specific systems as required, and through internal audit in 2018-19.</li> </ul>
Inadequate ICT to support agency operations	<ul style="list-style-type: none"> <li>▪ Oversight by the Executive Management Board and the Information Security Committee.</li> <li>▪ Close management by CIO and COO. Over-arching ICT strategy together with specific project boards.</li> <li>▪ Capital management plan with ongoing monitoring.</li> <li>▪ Included as part of Strategic Resourcing Review and internal Project Aurora.</li> <li>▪ Regular internal reviews and monitoring of system performance.</li> </ul>
Unforeseen consequences of COVID-19 pandemic	<ul style="list-style-type: none"> <li>▪ Pandemic Response Team formed under the Business Continuity Plan led by COO to manage business continuity.</li> <li>▪ Formation of COVID taskforce to address external consequences.</li> <li>▪ Engagement with stakeholders through suite of consultative committees, and maintaining close engagement and consultation with other regulators and Government.</li> </ul>

## Cooperation and collaboration

As a multi-function national regulator with economy-wide remit, the ACCC collaborates and cooperates with a wide range of stakeholders to achieve our purpose, including other Australian and international regulatory agencies; other government departments and agencies; and business, industry, and consumer advocacy groups.

The ACCC engages and collaborates extensively with state and territory fair trading and consumer affairs agencies as part of the administration and enforcement of the ACL. The Legislative and Governance Forum on Consumer Affairs (CAF) is responsible for the administration of the ACL and for other specific issues under the Intergovernmental Agreement for the Australian Consumer Law (IGA) and the Trans-Tasman Mutual Recognition Agreement.

To achieve outcomes under a one law, multi-regulator model, Australian and New Zealand Consumer Affairs Agencies have established a number of committees to achieve its outcomes and facilitate cooperation and collaboration. There are three main committees: the Policy and Research Advisory Committee (PRAC), the Education and Information Advisory Committee (EIAC) and the Compliance and Dispute Resolution Advisory Committee (CDRAC). Separately, CDRAC has two sub-groups to provide support at an operational level: the Fair Trading Operations Groups (FTOG) and the Product Safety Operations Group (PSOG).

In undertaking our consumer product safety functions, in addition to collaboration with state and territory fair trading agencies through PSOG, we work in partnership with other federal agencies to deliver and coordinate actions that ensure better safety outcomes. Current Consumer Product Safety Taskforces have benefited from the input of staff seconded from other agencies. We also work with many organisations including the Department of Home Affairs, the Asbestos Safety and Eradication Agency, the Department of Health, the Department of Infrastructure, Transport, Regional Development and Communications, Kidsafe, the Royal Life Saving Society, various industry associations, Standards Australia and state and territory fire safety agencies. We are also intending to engage with specialist product safety regulators to facilitate consistency in approach and to avoid duplication.

To assist with the enforcement and administration of the CCA and the ACL, the ACCC works collaboratively with a number of key regulators. The ACCC and the Australian Securities and Investments Commission have quarterly liaison meetings and have agreed on a number of cross delegations to each agencies to deal with consumer protection concerns. In addition, the ACCC regularly engages with a number of industry specific regulators, including the Therapeutic Goods Administration, Australian Health Practitioner Regulation Agency, Australian Prudential Regulation Authority, Reserve Bank of Australia, Australian Building and Construction Commission and the Fair Work Ombudsman.

The ACCC works closely with the Commonwealth Director of Public Prosecutions (CDPP) in relation to investigations and criminal prosecutions concerning serious cartel conduct and the operation of the *ACCC immunity and cooperation policy for serious cartel conduct*. Under the CCA, the ACCC is responsible for investigating allegations of cartel conduct, including serious cartels. The CDPP is responsible for the prosecution of offences under Commonwealth law, which includes serious cartels. The ACCC and the CDPP consult regularly throughout cartel investigations at a case officer and executive level. The agencies also have regular engagement to ensure case processes and procedures are working efficiently and effectively. The ACCC also collaborates with the Australian Federal Police in relation to criminal investigations and prosecutions.

In relation to the Consumer Data Right, the ACCC engages broadly with government and industry stakeholders, including through a range of forums and advisory committees. We work closely with the Commonwealth Treasury, Office of the Australian Information Commissioner and Data Standards Body, which are respectively accountable for CDR policy advice, privacy regulation, and setting data standards.

In engaging with and educating consumers and small business, we regularly collaborate with business, industry, consumer advocacy groups and other government agencies at committees to identify potential areas of concern and to develop targeted ACCC responses. These committees include the Consumer Consultative Committee, the Small Business and Franchising Consultative Committee, the Education and Information Advisory Committee, the Federal Regulatory Agencies Group and the Scams Awareness Network. We also host the annual Consumer Congress, which brings together consumer groups, community organisations and government to discuss key issues impacting consumers and develop strategies to improve consumer justice and welfare.

In undertaking the various regulatory functions in relation to national infrastructure industries, the ACCC engages closely with a diverse range of industry and government stakeholders, including:

- Commonwealth and state/territory government departments and regulators including the Department of Communications and the Arts, the Department of Agriculture and Water Resources, the Treasury, the Australian Communications and Media Authority, the Australian Energy Market Commission and the Australian Energy Market Operator.
- Industry and consumer representatives including the Communications Alliance, fuel suppliers, port and shipping bodies, the Australian Communications Consumer Action Network, motoring organisations and insurance consumers in Northern Australia.

The ACCC convenes regular meetings of consultative committees, including the Fuel Consultative Committee and the Infrastructure Consultative Committee to explore topical matters with stakeholders. The ACCC also participates in meetings of the Council of Financial Regulators on issues relating to contestability and competitiveness. To continue to develop best practice approaches to regulation the ACCC attends the Utility Regulators Forum which promotes cooperation between Commonwealth, state and territory economic regulators.

The ACCC also engages with a range of other entities including other regulators, governments and agencies in relation to privatisation processes and emerging markets with a view to promoting appropriate competition outcomes.

The Legal and Economic Division engages with other government departments and agencies, academia and the private sector on a regular basis to exchange learnings and enhance expertise in competition, consumer protection and regulatory law and economics. We participate in a number of government, professional and academic networks including a competition economists' network, the Law Council of Australia and the Commonwealth General Counsel Working Group, and have built strong relationships with the private legal firms that provide services to us. We organise two key forums each year, the ACCC and AER Regulatory Conference and the ACCC-University of South Australia Competition Law and Economics Workshop (co-hosted with UniSA) which bring together both Australian and international experts to discuss key and emerging competition and regulatory issues.

The ACCC also engages extensively with the Treasury, including regular meetings, updates and briefings between officers. The ACCC liaises with Treasury on policy issues, including the review and development of product safety regulations and changes to the regulatory or legislative framework that the ACCC believes would improve outcomes or reduce compliance costs for business and the community. The ACCC also engages with a range of other government departments, including providing input, briefings and liaising in relation to education and compliance initiatives.

In line with the Government's Statement of Expectations and the ACCC's Statement of Intent, the ACCC provides timely and accurate information to Treasury Portfolio Ministers, subject to the ACCC's obligations regarding the protection of investigative information.

International engagement and collaboration with our peers is increasingly important, reflecting the need to understand and respond to emerging issues in global markets, as well as to exchange views on regulatory best practice and promote ACCC priorities.

The ACCC contributes extensively to the International Competition Network (ICN) and its working groups as well as the OECD Competition Committee. This collaboration provides the ACCC with valuable information and insight about regulatory practices and emerging issues overseas to ensure that multi-jurisdictional merger reviews and competition enforcement matters are conducted efficiently and effectively.

In our consumer protection work we work extensively with our counterpart agencies through the International Consumer Protection Enforcement Network, and the OECD Committee for Consumer Policy and the Working Party on Consumer Product Safety.

With our work on digital platforms we are engaging extensively with overseas competition and consumer agencies. It is a focus of many regulators around the world, and our Digital Platform Inquiry Report and the ongoing work since then has attracted significant interest.

The ACCC will continue to seek to influence and leverage international thinking on best practice economic regulatory frameworks and policies through the OECD Regulatory Policy Committee and Network of Economic Regulators, the International Institute of Communications and international transport forums.

The ACCC also recognises the benefits that efficient markets in our region deliver to Australian consumers and businesses. This requires the ACCC to be active in the Asia-Pacific region engaging with both established and newly emerging competition and consumer protection regimes.

One aspect of this engagement is the Competition Law Implementation Program, through which we deliver a multi-year, demand-driven program of capacity building activities for our newer competition law enforcement counterparts in the ASEAN. In 2020-21 the ACCC will also launch a new regional capacity building program on consumer protection—the ASEAN-Australia and New Zealand Free Trade Area Consumer Affairs Program—supporting increased cooperation among consumer agencies in our region.

## 6. ACCC performance measures

### Performance measurement framework

The ACCC uses a range of performance measurement tools and sources to measure and report on the outcomes we achieve and our effectiveness in achieving our purpose.

Each ACCC strategy has defined deliverables with a suite of performance indicators that are directly linked to each deliverable, as outlined in the tables below.

The performance indicators provide stakeholders with a quantitative indication of the significant outputs from our programs and help guide our efficiency in delivering them. Each indicator has a quantitative annual target, with the exception of those indicators for which the number is primarily externally driven. The annual target for a small number of indicators has been revised due to our reprioritisation discussed in section 4.

Results for the performance indicators are reported in the agency's annual performance statement in the ACCC and AER Annual Report. We use internal records and data management systems as the source of results.

In the annual performance statement we complement the results for the performance indicators with additional context and specific examples of actions and outcomes that provide stakeholders with a more detailed understanding of the impact of our work and what we achieved during the year.

In 2018-19 the ACCC engaged ORIMA Research to undertake a survey and conduct interviews with key stakeholders to qualitatively measure our effectiveness in achieving our purpose through the strategies set out in the Corporate Plan. The key findings from this research were incorporated into our annual performance statement for 2018-19. We intend to undertake this survey every three years as a key component of our performance measurement and reporting as it provides longer term measures of our overall effectiveness.

We also report the annual findings about our comparable performance as a competition regulator by the Global Competition Review, which is the world's leading antitrust and competition law journal and news service.



In accordance with the Australian Government’s Regulator Performance Framework, the ACCC prepares an annual self-assessment report that outlines performance results using a range of evidence against six KPIs relating to the administration of regulation. The ACCC’s 2019–20 self-assessment report will be reviewed and externally validated by the ACCC Performance Consultative Committee prior to it being provided to the relevant Minister and published on the ACCC website in December 2020.

## Performance indicators

### Strategy 1—Maintaining and promoting competition

#### Deliver outcomes to address harm to consumers and businesses resulting from anti-competitive conduct

Performance indicators	Annual target
Number of in-depth competition investigations completed	30
Percentage of initial competition investigations completed within 3 months	60%
Percentage of in-depth competition investigations completed within 12 months	60%
Number of competition enforcement interventions (court proceeding commenced, section 87B undertakings accepted, administrative resolutions)	4–6
Percentage of competition enforcement interventions in the priority areas outlined in the Compliance and Enforcement Policy	80%
Percentage of competition enforcement interventions in the priority areas, or demonstrate the priority factors, outlined in the Compliance and Enforcement Policy	100%

#### Assess mergers to prevent structural changes that substantially lessen competition

Performance indicators	Annual target
Number of merger matters considered (externally driven)	N/A
Percentage of merger matters considered (under the informal merger review process) that were finalised by pre-assessment	80%
Percentage of merger matters subject to Phase 1 only of public review that were finalised within 12 weeks (excluding time periods where information is outstanding)	80%
Percentage of merger matters subject to Phase 2 of public review that were finalised within 24 weeks (excluding time periods where information is outstanding)	80%

#### Make decisions on authorisation, notification and certification trademark applications in the public interest

Performance indicators	Annual target
Number of authorisation applications assessed (externally driven)	N/A
Percentage of authorisation matters where a draft determination is released within four months	80%
Percentage of authorisation applications assessed within statutory timeframe(s) (excluding time periods where information is outstanding) <sup>1</sup>	100%
Number of exclusive dealing notifications assessed (externally driven)	N/A
Number of collective bargaining notifications assessed (externally driven)	N/A
Number of resale price maintenance notifications assessed (externally driven)	N/A
Number of Certification Trade Marks assessed (externally driven)	N/A
Percentage of CTM final assessments completed within 12 months	90%
Number of class exemptions completed	1

Note: <sup>1</sup> The ACCC is required to assess the validity of an authorisation application within 5 business days of lodgement and to issue a final determination about a new authorisation application within 6 months (unless extended).

## Implement the Consumer Data Right

Performance indicators	Annual target
Number of Accredited Data Recipients active (externally driven)	N/A
Number of Data Holders active (externally driven)	N/A

## Strategy 2—Protect the interests and safety of consumers, and support fair trading in markets affecting consumers and small business

### Deliver outcomes to address harm to consumers and small businesses resulting from non-compliance with the Australian Consumer Law and Industry Codes

Performance indicators	Annual target
Number of in-depth ACL investigations completed	70
Percentage of in-depth ACL investigation that are in the priority areas outlined in the Compliance and Enforcement Policy	60%
Percentage of initial ACL investigations completed within 3 months	80%
Percentage of in-depth ACL investigations completed within 12 months	80%
Number of ACL enforcement interventions (court proceeding commenced, section 87B undertakings accepted, infringement notices issued, administrative resolutions)	35
Percentage of ACL enforcement interventions in the priority areas outlined in the Compliance and Enforcement Policy	60%
Percentage of ACL enforcement interventions in the priority areas, or demonstrate the priority factors, outlined in the Compliance and Enforcement Policy	100%
Number of new or revised business compliance resources (published guidance)	10
Number of times online business education resources have been accessed	1 million
Number of surveys and audits for CCA compliance, including in relation to product safety regulations	10
Percentage of business compliance projects that are in priority areas identified in the Compliance & Enforcement Policy	60%

### Enhance the effectiveness of the ACCC's compliance and enforcement initiatives through partnerships

Performance indicators	Annual target
Percentage of business compliance resources developed or updated in consultation with business, stakeholder groups and peak bodies	80%
Number of business compliance projects that are delivered jointly with ACL regulators (Business compliance projects may include one or more of the following to address an identified sector-based compliance risk: monitoring, surveillance, audits, research, stakeholder engagement, business compliance resources, consumer education resources)	5
Number of business compliance and consumer education projects that involve partnership or joint delivery with businesses, peak bodies, industry or consumer groups.	5

### Identify and address the risk of serious injury and death from safety hazards in consumer products

Performance indicators	Annual target
Percentage of product safety mandatory reports made by businesses of serious injury or death preliminary assessed by the ACCC within 7 days	100%
Number of initial and in depth investigations of emerging product safety hazards	10
Number of reviews of mandatory product safety standards completed	4
Number of new or updated published business compliance resources relating to the safety of consumer products	2

### Support a vibrant small business sector

Performance indicators	Annual target
Number of small business Infocentre contacts served (Small business contacts are contacts through separate small business phone line and webforms)	12 000
Number of new or revised business compliance resources (published guidance) to empower small business	5
Number of CCA and ACL enforcement interventions with substantial benefits to small business sector.	10

### Empower consumers by increasing their awareness of their rights under the Australian Consumer Law

Performance indicators	Annual target
Number of new or revised consumer education resources (published guidance)	10
Number of times online consumer education resources have been accessed	2 million
Number of Infocentre contacts served (includes Infocentre contacts served and webforms received)	200 000
Number of visits to the SCAMwatch website	1.5 million

## Strategy 3—Promote the economically efficient operation of, use of, and investment in infrastructure; and identify market failure

### Deliver network regulation that promotes competition in the long-term interests of end-users

Performance indicators	Annual target
Number of major regulatory decisions	5
Percentage of regulatory decisions completed within statutory timeframes (including 'stop the clock' and timeframe extension provisions in the CCA)	100%

### Provide industry monitoring reports to government in relation to highly concentrated, newly deregulated or emerging markets

Performance indicators	Annual target
Number of annual monitoring reports	6
Number of reports on monitoring of unleaded petroleum products	6
Number of reports on broadband markets	10

### Improve the efficient operation of markets by enforcing industry-specific competition and market rules

Performance indicators	Annual target
Number of investigations into potential breaches of rules	11

## Strategy 4—Undertaking market studies and inquiries to support competition, consumer and regulatory outcomes

Performance indicators	Annual target
Number of completed markets studies and inquiries	3

## 7. Message from AER Chair, Clare Savage

The COVID-19 pandemic has meant many of us are very focused on the here and now—getting through the current day or week. A large number of Australians have found themselves with reduced incomes which can make timely payment of energy bills more difficult. In 2020–21 the Australian Energy Regulator (AER) will continue to safeguard these consumers to ensure they have access to affordable payment plans and they are protected from disconnection.

COVID-19 hasn't slowed the significant transition that is underway in energy markets though and the AER's job, to make energy consumers better off, now and in the future, has never been more important.

So while we are focusing deeply on the pressing issues of today—consumer hardship and the resilience of energy businesses—we are also looking ahead at the opportunities and challenges that stem from a widespread shift to variable renewable energy including a significant increase in distributed energy resources; technological disruption; policy ambiguity; demand uncertainty; and changed consumer and community expectations.

This year, for the first time, the AER-specific content in this Corporate Plan is separate from that for the ACCC and has been developed in the context of the AER's five-year Strategic Plan.

The AER's Strategic Plan is grounded in the five core outcomes for the energy system established by the COAG Energy Council:

- affordable energy and satisfied consumers
- secure electricity and gas system
- reliable and low emissions electricity and gas supply
- effective development of open and competitive markets
- efficient and timely investment in networks.

The AER will contribute to the achievement of these outcomes through a focus on the AER's four key objectives:

- protect vulnerable consumers while enabling consumers to participate in energy markets
- effectively regulate competitive markets through monitoring and reporting, enforcement and compliance
- deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services
- use our expertise to inform debate about Australia's energy future and support the energy transition.

This Corporate Plan sets out a number of our priority activities that will enable us to deliver these objectives.

This year we will continue to execute our core functions efficiently and to an exceptional standard but we will increasingly use the tools at our disposal to adapt our approach in response to emerging challenges and opportunities. We will also use our capabilities and experience to proactively work to improve the regulatory framework.

The development of our five year Strategic Plan has made it clear that there are many expectations on the AER and sufficient funding and resources will be critical to its delivery and meeting the needs of stakeholders.

In 2020–21 we will continue to protect consumers and encourage market participation through our settling of the Default Market Offer and our Energy Made Easy price comparison service. We will develop a consumer vulnerability strategy to ensure we are supporting those consumers in vulnerable circumstances in the most appropriate ways. We will dive deeper into our understanding of consumers

through behavioural insights analysis and work to improve consumer outcomes while reducing the cost of regulation. We will implement 'regulatory sandboxes' to encourage innovation and new business models.

We will administer the Retailer Reliability Obligation to ensure energy demand can be met while delivering insightful market reports to support better policymaking and to inform our compliance and enforcement activities. We will improve our market surveillance capability and focus on the interplay between physical and financial markets.

With eight cases currently in the Federal Court, we will continue our strong focus on ensuring compliance with the energy law and rules to give consumers the confidence that energy businesses are doing the right thing.

We will continue to undertake our network revenue and price control processes while undertaking a review of our approach to inflation and calculating the rate of return. We will assess the efficiency of multi-billion dollar transmission projects while reviewing, for the first time, the transparency of inputs and assumptions underpinning the next Integrated System Plan.

We will use our role in the Energy Security Board to ensure the regulatory frameworks are fit-for-purpose and support the energy transition.

I could not be more proud of the work that the AER is doing to make the energy system work well, both today and well into the future. We are of course not doing it alone, and this has been a period in which we have forged new relationships with stakeholders and deepened our existing connections. I want this increased engagement to be an enduring characteristic of how the AER works.

We have set out performance measures here which will allow us—and our stakeholders—to track our performance over time. We will use these to account for what we have delivered, the impact it has made and the outcomes that it has helped achieve. This remains a work in progress, so we will continue developing our thinking on how best to develop appropriate indicators and targets. As always, we welcome stakeholder input on best practice in performance measurement, as well as feedback at any point on how we're doing in delivering our purpose, objectives and this Corporate Plan.

## 8. AER Vision

We will be a high performing regulator that is independent, open and accountable; builds trust in Australia's energy system; takes considered risks; ensures the regulatory regime is fit for purpose; and engages actively with stakeholders.

## 9. AER Purpose and Role

The AER exists so that energy consumers are better off, now and in the future.

The AER regulates wholesale and retail energy markets, and energy networks, under national energy legislation and rules. Our functions mostly relate to energy markets in eastern and southern Australia. We place consumers at the heart of our work, and are focused on ensuring a secure, reliable and affordable energy future for Australia.

## Wholesale energy market regulation

In the wholesale electricity and gas markets the AER monitors, investigates and enforces compliance with national energy legislation and rules.

We monitor participant bidding and rebidding, market dispatch and prices, network constraints and outages, demand forecasts and forecasts of production and capacity.

We also report on market activity, including:

- weekly reports on wholesale market outcomes
- reports on prices outside normal thresholds
- quarterly reports on the performance of the wholesale electricity and gas markets
- biennial assessment of the effectiveness of wholesale electricity market competition.

## Energy networks regulation

The AER regulates electricity networks and natural gas pipelines by setting the maximum amount of revenue they can earn.

Network businesses submit proposals to the AER on their required revenues. We review the proposals and make decisions with reference to factors including:

- projected demand for electricity and natural gas
- age of infrastructure
- operating and financial costs
- network reliability and safety standards.

Decisions generally apply for five years, and network businesses adjust their prices annually during the five year period.

## Retail energy market regulation

The AER regulates retail electricity and gas markets in jurisdictions that have commenced the National Energy Retail Law. The Retail Law commenced in Tasmania (for electricity customers only) and the Australian Capital Territory on 1 July 2012, South Australia on 1 February 2013, New South Wales on 1 July 2013 and Queensland on 1 July 2015.

The AER provides a price comparison website, Energy Made Easy, to help customers find the best energy offers for their needs.

Our other roles include:

- monitoring and enforcing compliance with obligations in the Retail Law, Rules and Regulations
- reporting on performance of the market and energy businesses, including energy affordability and disconnection of customers for non-payment of energy bills
- assessing authorisation applications from businesses that want to become energy retailers, and exempting businesses from authorisation requirements (for example, nursing homes and caravan parks that on-sell energy to tenants).

## Consumer protection

The AER has a key role in empowering consumers to make informed choices about their energy supplier. This includes ensuring consumers are empowered to access the best energy offer for their circumstances, as well as helping consumers resolve any problems that may arise. We also work with energy businesses to encourage them to prioritise consumer welfare. The AER's role includes:

- setting the Default Market Offer to protect consumers from high prices and encourage participation in the market
- implementing regulatory sandboxes to encourage innovation in energy technologies and new business models that benefit consumers
- approving policies energy retailers must implement to assist customers facing financial hardship and looking for help to manage their energy bills
- administering a retailer of last resort scheme, which protects customers and the market if an energy retailer fails.

## Policy and advocacy

The AER advocates for improvements to energy laws across participating jurisdictions, as well as positive changes to the behaviour of energy businesses and consumers. This includes simplifying the retail market regulatory framework to encourage effective competition and reduce cost to serve. The Energy Security Board's (ESB's) post 2025 market design project, known as 'NEM 2025', creates an opportunity for the AER to advocate for reforms or market designs that ensure that the potential misuse of market power is minimised and participant margins are consistent with a competitive market.

The AER's advocacy will continue to be informed and empowered via a number of sources, including a variety of consumer representative bodies. This includes our Consumer Consultative Group, which provides participating organisations with the opportunity to inform the AER about issues that impact on the groups they represent, and the AER's involvement on the ESB. It also includes our Consumer Challenge Panel and Consumer Reference Group (further information under 'Cooperation and collaboration').

# 10. AER Strategic objectives

The AER's Objectives have been updated in 2020 and are designed to support the outcomes outlined by the COAG Energy Council's *Strategic Energy Plan*:

- affordable energy and satisfied consumers
- secure electricity and gas system
- reliable and low emissions electricity and gas supply
- effective development of open and competitive markets
- efficient and timely investment in networks.

The AER's objectives, that is the steps we will take to achieve the outcomes, are:

- protect vulnerable consumers while enabling consumers to participate in energy markets
- effectively regulate competitive markets through monitoring and reporting, enforcement and compliance
- deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services
- use our expertise to inform debate about Australia's energy future and support the energy transition.

Key activities under each of these activities are outlined in the following section.

# 11. AER Priorities: Key activities

The AER has developed a range of key activities related to each of our four objectives, under the umbrellas of *execute*, *tilt*, and *advocate*:

- **Execute:** We undertake our core activities efficiently and to an exceptional standard.
- **Tilt:** We use the tools at our disposal to adapt our approach in response to emerging challenges and opportunities.
- **Advocate:** We use our capabilities and experience to improve the regulatory framework.

This program of work is intended to cover the next five years. Key activities to be achieved in the 2020–21 year are currently being finalised together with the agency’s budget, which was delayed until October 2021 due to the COVID-19 pandemic.

The ongoing COVID-19 pandemic has affected both consumers and energy markets. Disruption is expected to continue throughout 2020–21.

This five-year work program is ambitious and prioritisation and delivery will be dependent on funding availability. Not all activities can be delivered without supplementary funding.

## Protect vulnerable consumers while enabling consumers to participate in energy markets

<b>Execute</b>	<ul style="list-style-type: none"> <li>■ Set the Default Market Offer (DMO) to protect consumers from high prices and encourage participation in the market.</li> <li>■ Facilitate entry of appropriate entities and reduce consumer disruption and loss of competition when a retailer exits.</li> <li>■ Maintain an effective exemptions framework to protect consumers not serviced by authorised retailers.</li> <li>■ Deliver annual consumer-related compliance and enforcement priorities.</li> <li>■ Ensure Energy Made Easy (and electricity bill benchmarks) is the preferred tool for consumers and is promoted effectively.</li> </ul>
<b>Tilt</b>	<ul style="list-style-type: none"> <li>■ Develop a vulnerability strategy to inform work across the AER and consideration of consumer issues.</li> <li>■ Improve consumer outcomes while reducing cost to serve by boosting consumer and behavioural insights and applying them across AER initiatives (e.g. guidelines, better bills, Retail Pricing Information Guidelines, hardship/Sustainable Payment Plans Framework).</li> <li>■ Further develop Energy Made Easy in light of consumer needs.</li> <li>■ Develop a consumer engagement plan that includes improved consumer engagement tools and capabilities for greater consistency across the AER.</li> <li>■ Implement regulatory sandboxes to encourage:               <ul style="list-style-type: none"> <li>– innovation in energy technologies</li> <li>– new business models that benefit consumers (outside the current regulatory framework).</li> </ul> </li> <li>■ Implement iterations of AER’s Statement of Expectations (SoE) for energy businesses.</li> <li>■ Increase education activities such as retailer compliance workshops.</li> <li>■ Enhance sources and use of market intelligence in compliance and enforcement activities.</li> </ul>
<b>Advocate</b>	<ul style="list-style-type: none"> <li>■ Simplify the retail market regulatory framework to encourage effective competition and reduce cost to serve.</li> <li>■ Support the market in addressing consumer preferences and needs by identifying and helping to address inconsistencies between outcomes and consumer expectations.</li> <li>■ Advocate for expanding consumer data right applications as required through the energy supply chain to equip consumers with more choice.</li> </ul>



## Effectively regulate competitive markets through monitoring and reporting, enforcement and compliance

---

<b>Execute</b>	<ul style="list-style-type: none"><li>▪ Effective guidance and oversight of the Retailer Reliability Obligation (including monitoring Market Liquidity Obligation).</li><li>▪ Deliver insightful market reports:<ul style="list-style-type: none"><li>– Weekly Wholesale Markets—COVID-19 data from retailers</li><li>– Quarterly Retail &amp; Wholesale Market Performance</li><li>– Annual Retail Compliance—Annual State of the Energy Market</li><li>– Biennial Wholesale Electricity Market</li><li>– High Price Events (as they occur).</li></ul></li><li>▪ Manage dispute resolution role efficiently and effectively.</li><li>▪ Deliver compliance and enforcement annual priorities.</li><li>▪ Undertake retail and generator performance compliance audits to improve compliance, systems and processes.</li><li>▪ Manage litigations on foot.</li><li>▪ Better coordinate reporting with other government bodies.</li></ul>
<b>Tilt</b>	<ul style="list-style-type: none"><li>▪ Improve market surveillance capability to interrogate information more effectively by:<ul style="list-style-type: none"><li>– creating automated processes to flag potential issues with trades, bids and offers</li><li>– developing staff analytical capability with regards to financial markets, conduct, and competition analysis.</li></ul></li><li>▪ Expand understanding of interplay between physical and financial markets to enable the AER to fulfil its reporting obligations (RRO and biennial performance reports).</li><li>▪ Develop an information management framework for compliance intelligence .</li><li>▪ Enhance the retail performance reporting framework to enable more detailed analysis which will:<ul style="list-style-type: none"><li>– increase our understanding of how the retail market is performing</li><li>– unpack the impact a transitioning retail sector is having on consumers</li><li>– better position the AER to undertake its retail performance reporting role</li><li>– contribute to policy developments affecting consumers, including the DMO</li><li>– use data to improve performance of individual regulated businesses.</li></ul></li><li>▪ Develop and implement a new risk-based model for prioritising compliance and enforcement work and for assessing non-compliance.</li><li>▪ Develop a framework to report on compliance performance of AEMO.</li></ul>
<b>Advocate</b>	<ul style="list-style-type: none"><li>▪ Review the purpose and focus of reporting on high price events.</li><li>▪ Increase the scope of AER powers to enable the AER to monitor, understand and report on contract markets.</li></ul>

---

## Deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services

---

<b>Execute</b>	<ul style="list-style-type: none"><li>▪ Undertake regular revenue and price control processes that promote the National Energy Objectives (NEO)/National Gas Objectives (NGO):<ul style="list-style-type: none"><li>- 30 revenue resets worth around \$70 billion over 5 years</li><li>- annual pricing proposals</li><li>- incentive schemes</li><li>- pass throughs.</li></ul></li><li>▪ Implement reviews of the fundamental building blocks such as inflation, rate of return, and value of customer reliability that promote the NEO/NGO.</li><li>▪ Undertake large integrated system plan (ISP) project assessments to support efficient and timely investment:<ul style="list-style-type: none"><li>- Project Energy Connect</li><li>- Humelink</li><li>- VNI Minor</li><li>- Eyre Peninsula Reinforcement.</li></ul></li><li>▪ Deliver network performance reporting to better inform stakeholders of outcomes and inform future regulatory reform.</li><li>▪ Deliver network compliance and enforcement priorities.</li></ul>
<b>Tilt</b>	<ul style="list-style-type: none"><li>▪ Incentivise proposals that reflect customer preferences and are capable of acceptance, including through:<ul style="list-style-type: none"><li>- establishing a Statement of Expectations for networks that aligns with the NEO/NGO</li><li>- enhanced consumer engagement, eg NewReg.</li></ul></li><li>▪ Be more efficient in our regulation by focussing on high-impact actions that matter most to consumers, including through:<ul style="list-style-type: none"><li>- building better assessment tools and supporting data</li><li>- reviewing and refining incentive schemes</li><li>- improving our approach to the review of large transmission investments (\$10 billion investment in 5-10 years).</li></ul></li><li>▪ Make sure the regulatory regime evolves to support the energy transition:<ul style="list-style-type: none"><li>- Distributed Energy Resources (DER)</li><li>- Stand Alone Power Systems (SAPS)</li><li>- depreciation profiles, focussing on intergeneration equity and stranding risks</li><li>- ring fencing and waivers</li><li>- bushfires, COVID and other natural disasters.</li></ul></li><li>▪ Undertake the Transparency Review for the ISP.</li><li>▪ Actively monitor regulated asset base (RAB) growth in the context of energy market developments.</li></ul>
<b>Advocate</b>	<ul style="list-style-type: none"><li>▪ Advocate for network charging reform to deliver greater cost reflectivity in consumption and export tariffs, for more efficient network investment and optimal DER deployment.</li><li>▪ Advocate for greater flexibility in network regulation frameworks to enhance consumer engagement, scope for innovation by network businesses, and longer reset periods where appropriate.</li></ul>

---

## Use our expertise to inform debate about Australia's energy future and support the energy transition

---

<b>Execute</b>	<ul style="list-style-type: none"><li>▪ Contribute to policy processes and reviews that impact on competition, customers, and the role of the AER including AEMC rule changes.</li><li>▪ Provide timely and insightful contributions to the Energy Security Board and the Energy Council.</li><li>▪ Engage actively in external forums including the Utility Regulators Forum and the regulatory conference.</li></ul>
<b>Tilt</b>	<ul style="list-style-type: none"><li>▪ Contribute to NEM 2025 via the Energy Security Board by evaluating the impacts of new market designs on competition, consumer protections, monitoring, compliance and enforcement.</li><li>▪ Use consumer insights to inform input to external processes (e.g. rule changes).</li><li>▪ Enhance our outward-looking focus by increasing engagement with external professional forums.</li></ul>
<b>Advocate</b>	<ul style="list-style-type: none"><li>▪ Analyse the competitive positions and margins of different classes of generators through the energy transition and advocate, including through NEM 2025, for reforms or market designs that ensure that the potential for the misuse of market power is minimised and participant margins are consistent with a competitive market.</li><li>▪ Review transmission network regulation frameworks and advocate for changes that:<ul style="list-style-type: none"><li>– provide the AER with effective tools to assess efficient expenditure on large transmission projects</li><li>– streamline the regulatory investment test for transmission (RIT-T) process</li><li>– drive greater competition in transmission investment planning where beneficial.</li></ul></li><li>▪ Advocate to ensure that arrangements governing DER standards are proportionate, aligned with the interests of consumers and do not lead to inefficient network investment.</li></ul>

---

# 12. AER operating context

## Environment

The energy system is undergoing rapid change. The key drivers of this change, influence the context in which the AER is operating. These drivers include policy ambiguity, lack of faith in markets, changes in community and consumer expectations, large scale renewable energy, distributed energy resources, technological change and uncertainty, price rises, and demand uncertainty.

The national energy policy landscape is becoming increasingly complex as states and territories move in different directions on energy policy and exceptions to the national framework increase. This is particularly prevalent in relation to renewables policy, although it also applies to energy policy across the board. Further, while the energy system framework was born from a market-based model, the community does not necessarily trust markets, or large institutions. Increasing intervention is shifting the balance from a market-driven approach to a more hybrid model.

The community's expectations of the energy system are evolving, with growing expectations of regulators. Vulnerable consumers are a key focus. Consumer preferences, choices and behaviours are also changing, and the importance of recognising diverse needs is heightened. More and more consumers are being empowered and seeking to contribute to decision-making in the energy system.

With the increased penetration of large scale renewable energy, it is evident that the market may not value everything the system values (eg inertia), and the uncertain future of coal is leading to questions of orderly and safe retirement. Beyond large scale renewables, Australia is also moving towards distributed energy resources (DER), driving a fundamental change in networks, and the need to closely consider asset stranding and the potential for price shocks. Beyond renewables and DER there is a trend towards digitisation and new services, with new market participants emerging, and interest in other fuels such as hydrogen.

Underpinning this are concerns regarding price increases and uncertainty about the future shape of demand—which has implications for the future grid.

The AER will adapt its priorities and the delivery of its work program as the operating environment evolves, while doing all it can to ensure energy consumers are better off, now and in the future.

## Response to impacts of COVID-19 on Australian businesses and consumers

The COVID-19 pandemic has dramatically changed the economic landscape in Australia and substantially impacted businesses, consumers and the way we work. Many people are or will be affected by dramatic changes to their lives, businesses, income and working arrangements, and those of their friends, families and communities. Energy use and the ability to pay their bills may in turn be affected.

The AER has responded to the crisis by issuing a Statement of Expectations (SoE) to energy businesses in March 2020, requiring them to undertake specific actions to protect consumers and the market, and then putting in place a revised SoE from 1 August 2020. This includes the requirement that residential and small business energy customers must not be disconnected other than at their request. We have also modified our stakeholder engagement activities to ensure we continue to be informed by our stakeholders, in ways which meet their needs.

Working with ACCC colleagues, we also quickly supplemented our ICT capability so that during the nationwide restrictions we had almost all employees work from home each day. Whilst many staff will need to continue to work from home, as social distancing restrictions are eased in each jurisdiction our employees will continue return to the office when safe to do so. As this Plan outlines, the AER has an ambitious work plan over the coming five years—however we also recognise the need to be flexible in response to ongoing uncertainty around the COVID-19 pandemic. The pandemic has impacted our priorities and ways of working and will probably continue to do so; and we are well-placed to respond to these changing circumstances.

## Capability

A key focus for the AER for the coming five years is ensuring we have the right people and the right systems in place to achieve our objectives.

For our people, this means that AER staff are:

- consumer-centric and committed
- collaborative and respectful
- accountable and honest
- proactive and innovative
- expert and capable.

With regard to systems, we are seeking:

- ways of working that are efficient and systematised with well-trained staff
- key performance indicators that measure and align progress across the organisation
- resources to be allocated efficiently, monitored, and reprioritised flexibly
- technology that creates ‘state of the art’ analytical and specialist capability
- our data’s value to be recognised and our governance approach matured
- to ensure risks are proactively identified, monitored and managed.

## People

We will support our people through and post COVID-19. This will require a continuing investment in tools and resources that support our people to manage their wellbeing, facilitate flexible work practices, identify and mobilise people to priority work, provide contemporary learning and development through online platforms, and support leadership development.

Over the coming five years we will have an emphasis on performance and impact, while maintaining employee engagement, as we develop the organisation to cope with the challenges of the evolving energy sector and needs of consumers. The AER will focus on a number of people-related enablers designed to equip staff to deliver on our vision:

<b>Consumer-centric and committed</b>	<ul style="list-style-type: none"><li>Put consumers at the heart of our decisions.</li><li>Seek to understand and apply (not dictate) consumer preferences.</li><li>Deeply committed to enhancing consumers' short- and long-term interests.</li></ul>
<b>Collaborative and respectful</b>	<ul style="list-style-type: none"><li>Work collaboratively to provide an organisation and system-wide perspective.</li><li>Respect other people's ideas and actively seek to capture and contribute to a range of viewpoints in our work.</li><li>Constructively challenge ideas, not people.</li></ul>
<b>Accountable and honest</b>	<ul style="list-style-type: none"><li>Own our evolving role in the energy system.</li><li>Outcomes-focused and strive to measure and review our performance.</li><li>Surface views and have honest conversations about them.</li><li>Value feedback and peer review.</li></ul>
<b>Proactive and innovative</b>	<ul style="list-style-type: none"><li>Adaptable to changing circumstances.</li><li>Start with yes when approached with new ideas.</li><li>Recognise the energy system transition and signal what an effective market looks like.</li><li>Courageous and are supported to learn from experience.</li></ul>
<b>Expert and capable</b>	<ul style="list-style-type: none"><li>Maintain and build our deep expertise in a broad range of capabilities.</li><li>Recognise the critical role of leadership.</li><li>Thought leaders in the sector.</li><li>Tailor our communication to the full range of audiences.</li><li>Value diverse perspectives.</li></ul>

## Governance

The AER Board is an independent statutory entity, comprising five members: Clare Savage (Chair), Jim Cox (Deputy Chair), Eric Groom, Catriona Lowe and Justin Oliver. They are appointed under Part IIIAA of the *Competition and Consumer Act 2010*, following a process outlined in the Australian Energy Market Agreement.

The Board has four core functions:

- provide early guidance and direction for staff/committee work on issues of strategic importance
- make decisions under statutory powers including to initiate proceedings or issue infringement notices
- set high-level strategy, risk appetite and approach to stakeholder engagement, and
- oversee AER performance.

The Board is not responsible for the day-to-day management of the AER. This is the responsibility of the AER CEO and senior management team. The CEO of the AER reports to the Chair of the AER.

The Board is able to delegate any of its functions and powers to a Board member or SES and acting SES staff.

The Board has established four Committees: Policy & Governance; Enforcement and Compliance; Markets; and Networks. The membership of these is as follows:

- **Policy and Governance:** Jim Cox (Chair), Eric Groom, Catriona Lowe, Justin Oliver and Clare Savage.
- **Enforcement and Compliance:** Catriona Lowe (Chair), Jim Cox and Justin Oliver.
- **Markets:** Justin Oliver (Chair), Eric Groom and Clare Savage.
- **Networks:** Eric Groom (Chair), Jim Cox and Catriona Lowe.

These Committees provide the opportunity for brainstorming and discussion between Board members and staff. The Board has not delegated decision-making to any of the Committees on a standing basis, though it may do so on particular items as they arise.

Board members also contribute to the governance and work of the ACCC as a whole. The AER Chair and Deputy Chair are formally members of the ACCC Corporate Governance Board. Jim Cox chairs the ACCC Audit Committee. The AER reports to it annually and may do so more regularly in relation to specific matters. Jim Cox sits on the ACCC Infrastructure Committee and Electricity Inquiry Board. Eric Groom sits on the ACCC Communications Committee and Gas Inquiry Board.

## Financial management

Our financial management systems are a key tool in enabling the AER Board and management to make resource allocation decisions which are transparent and well-founded.

The ACCC and AER have a coordinated Strategic Financial Plan and a five year budget model that models the current financial year and out-years. This provides an outlook as to the future capacity of the agency. The model is only an indicator at a point in time, as additional functions can be assigned to the ACCC and AER with varying levels of funding attached.

Four-year budget estimates for the ACCC and AER are published annually in The Treasury’s Portfolio Budget Statements. Due to the COVID-19 pandemic and subsequent delay in the 2020–21 Federal Budget to October 2020, the following tables reflect the most recent confirmed budget—the Portfolio Additional Estimates Statement 2019–20 published in February 2020. The following table sets out the AER program’s funding (in nominal \$s) for 2019–20 and forward years of the budget estimates:

### AER Program 2019–20 to 2022–23 (\$millions)

	2019–20	2020–21	2021–22	2022–23
<b>Annual Appropriation</b>	67.46	63.79	63.88	64.30

The AER program’s annual appropriation supports funding to the AER as a division within the ACCC, as well as providing funding for overheads and corporate support functions (such as IT and accommodation) which goes to the ACCC. The AER divisional operating budget is as follows.

### AER Divisional Operating Budget 2019–20 to 2022–23 (\$millions)

	2019–20	2020–21	2021–22	2022–23
<b>Internal Budget</b>	48.96	43.82	43.74	44.25

## ICT capability

The amount and complexity of data managed by the AER is increasing significantly. Recent work has identified a number of opportunities to use this data in new and different ways. Over the coming five years, the AER will seek to focus on improved process systemisation, and modernising our approach to data governance and management. We will also look at tools to improving market surveillance through enhanced data, systems, analytics and capability.

The AER's ICT systems are provided by the ACCC, which has identified a number of key areas of focus for service delivery in 2020-21. These are set out in the ACCC Corporate Plan and include improved data governance and management to enable intelligent data analysis to support informed and more nimble decision-making, as well as increasing ICT Security awareness across the ACCC and AER.

The ACCC and AER ICT Strategy will be updated following confirmation of the agency's budget in October 2020.

## Communication

The AER communicates proactively with a broad range of audiences and stakeholders across a range of different channels, including mainstream media and social media channels and direct e-news bulletins. Importantly, it provides information and educational material via its AER and Energy Made Easy websites, so people can access information when they need it.

The AER uses the media, social media, education campaigns, targeted communication, and community and industry engagement to deliver clear and targeted messaging to its stakeholders and the community. The AER aims to communicate complex and technical matters that impact stakeholders and consumers in ways that can be understood, while raising awareness of rights and responsibilities for energy users and the industry.

The AER will continue to refine and enhance its approach to communications throughout 2020-21 and beyond. Key areas of focus will be increased measurement of our impact/reach, reviews of our various channels to ensure they remain contemporary, enhancing readability of our complex materials, and presentation of data and other information in new and engaging ways.

## Legal and economic

The ACCC Legal and Economic Division is an in-house service provider, delivering expert legal, economic and data analysis support across all the activities of the AER and ACCC. The Division consists of the Legal Group (including legal technology services), the Economic Group and the Strategic Data Analysis Unit (including data governance and management functions).

The Legal Group assists the AER in its statutory decision making and also provides advice in managing the agency's corporate legal obligations.

The Economic Group facilitates the consistent and robust use of economic principles in decision-making, increases the quality of economic analysis and contributes to economics-related learning and development initiatives. The Economic Group is committed to strengthening the quality of economic analysis in the organisation and to maximising the influence of economic principles including through supported capability growth.

## Innovation

In 2020-21 the AER will continue to work with the ACCC implementing initiatives as part of the National Innovation Project, which commenced in 2018 with the objective of enhancing the culture and structure of the wider agency to support a sustained commitment and capability to innovate into the future. The establishment of an internal innovation forum, consisting of senior managers from across the AER and ACCC to oversee the project, meets regularly to provide leadership support and create an authorising environment to enable innovation. More recently the project has turned its focus to embedding innovation into governance, working to identify the most efficient and effective strategy to manage new ideas.

The key activities of the AER, as outlined in this Corporate Plan, require the AER to be an innovative organisation. As described earlier, the AER will need to be adaptable to changing circumstances, start with 'yes' when approached with new ideas, recognise the energy system transition and be on the front-foot in signalling what an effective market looks like. Overall, the AER will seek to be courageous, and learn from our experience.

## Risk oversight and management

### Risk oversight and management systems

Risk management is an integral part of ensuring the agency's success in achieving our strategic objectives and priorities. The agency is committed to the management of risk and has integrated risk management priorities into our strategic planning, decision-making and business operations. This commitment is underpinned by the *ACCC and AER Enterprise Risk Management Framework*, modelled on best practice requirements of the Commonwealth Risk Management Policy.

The *ACCC and AER Enterprise Risk Management Framework* includes risk management policies and guidelines which communicate accountabilities, responsibilities and expectations of all employees in ensuring the management of risk across the agency.

The link between risk and strategic objectives is reinforced through the maintenance of organisational and divisional risk profiles. This is further supported by the internal audit program which provides assurance on our business processes and performance as well as our compliance with relevant statutory requirements, including those under the PGPA Act, with topics selected based on an assessment of the agency's risk profile.

Within the AER, work will continue in 2020–21 on a range of new tools to assist the agency to better identify and manage risk. This includes improved tools and guidance for risk management, and regular reviews of risks at the senior management and Board level.

### AER key risks

In addition to the specific ways in which the risks are managed across the ACCC and AER, the AER relies on its internal governance framework, including oversight from the Policy and Governance Committee, to oversee strategic risks on a quarterly basis.

The AER also reports annually to the ACCC and AER Audit Committee and every six months to the ACCC Corporate Governance Board, including on key risks. It has developed a risk table, agreed by the AER Policy and Governance Committee, containing strategic risks, drivers, controls and ratings, as part of annual ACCC-wide business-planning processes. The AER works to establish actions plans for any risks rated as 'high', and the CEO provides specific updates on these through the monthly report to the Board Policy and Governance Committee.

At a high level, the risks being managed by the AER include:

- not meeting consumer, industry, government and community expectations and/or not communicating effectively with relevant stakeholders
- confidentiality breach, unauthorised release of, or access to, confidential information
- substantial new functions being assigned/imposed on AER without appropriate staffing/funding increases, or sufficient notice, or in an area for which AER does not have relevant expertise
- IT systems or process failure including potential cybersecurity breach or cyber-attack.



# Cooperation and collaboration

The Stakeholder Engagement Framework, agreed by our previous Board in 2017 and published on the AER's website, continues to guide our approach to stakeholder engagement. The AER's work is informed by regular dialogue with a range of stakeholders, including other market bodies, industry bodies, consumer groups and governments.

The AER recognises that we must:

- proactively engage with stakeholders and seek to listen to and understand diverse perspectives
- embrace creative ways of engaging that work for stakeholders, not just us
- clearly communicate decisions and make it easy to engage with us
- work in partnership with other energy market bodies and the Energy Council on matters of common interest.

## National engagement

The AER Chair is a member of the Energy Security Board, and we work particularly closely with the other market bodies, the AEMC and AEMO, as well as Energy Consumers Australia. The AER is a member of the Utility Regulators Forum. We have established MoUs with state-based energy ombudsman schemes, Energy Safe Victoria, ARENA and other regulators such as the Essential Services Commission in Victoria. Consumer engagement is a key part of the AER's stakeholder engagement work. In addition to regularly receiving direct feedback via our Contact Centre, in 2020-21 the AER will continue to engage nationally through three key consumer engagement groups:

**Consumer Consultative Group:** The CCG has 14 members, each of which is an organisation representing a range of consumer interests. The CCG's role is to provide advice to the AER in relation to our functions under the energy laws affecting energy consumers across participating jurisdictions. In response to the COVID-19 pandemic, the AER will be convening more frequent meetings of the CCG in 2020-21 in order to provide timely information about the impacts of the pandemic on energy consumers.

**Consumer Challenge Panel:** The CCP plays a key role in assisting the AER incorporate a consumer perspective into network determinations. Members are individuals with significant local and international expertise, spanning fields including economic regulation, energy networks and consumer representation. The AER has recently extended the CCP's appointment agreement to ensure it will be in place throughout the 2020-21 FY.

**Consumer Reference Group:** The CRG is a project-specific consultation body established by the AER to seek consumer input into our Inflation Review 2020 and Rate of Return Instrument 2022. Members are individuals with significant relevant experience who are appointed by the AER. In 2020-21, the CRG will continue to advise the AER on consumer perspectives relevant to the two reviews, including the conclusion of the Inflation Review, and early planning for the Rate of Return Instrument which is slated to commence in the 2021-22 FY.

## International engagement

We aim to develop and maintain an active AER role in international networks relevant to AER strategic priorities and objectives and those of the Energy Security Board, and to advance these priorities and objectives. This will continue to occur through engagement with the EISG and the World Energy Forum, however, this strategy includes other international organisations such as the OECD Networks of Economic Regulators, Asia Pacific Energy Regulatory (APER) Forum and ad hoc events. We have also established MoUs with fellow regulators in other countries, such as Ofgem (UK), the Commerce Commission (New Zealand), the Federal Energy Regulatory Commission (United States) and the Electricity Regulatory Authority of Vietnam. We have had an active staff exchange program with Ofgem and the Commerce Commission, allowing the exchange of insights about different regulatory approaches.

# 13. AER performance measures

As described earlier, the AER's Objectives have been updated in 2020 to support the outcomes outlined by the COAG Energy Council's *Strategic Energy Plan*. Following from this, the AER also needs to redesign its performance framework to ensure close alignment between our key performance indicators (KPIs) and objectives. The KPIs put forward in 2020–21 are a preliminary suite of indicators mapped to the new objectives.

These indicators reflect the [Public Governance, Performance and Accountability Rule 2014](#) and [Resource Management Guide 131](#), which set out how Commonwealth agencies should develop performance measures.

The KPIs are still in development, and we will continue to refine them so that they include not only the outputs of our work, but also seek to illustrate the impact and outcome. In past years our KPIs have largely comprised quantitative targets focused on outputs, so this is a substantial and important change. It does mean that there will be some limitations on comparability with previous years, but we consider that the future benefits of improved accountability greatly outweigh this.

Moving to a framework which considers impacts and outcomes will necessarily include measures that are not wholly within the AER's control, and rather we are a contributor to a multi-factorial impact/outcome which requires the focus of numerous bodies within the energy system.

## Performance indicators

### Objective: Protect vulnerable consumers while enabling consumers to participate in energy markets

Performance Indicators	Measure/Target
<p>AER Stakeholders' agreement with the following statements:</p> <ul style="list-style-type: none"> <li>▪ The AER equips consumers to participate effectively, and protects those who are unable to safeguard their own interests</li> <li>▪ The AER supports and protects energy consumers, particularly those in vulnerable circumstances</li> <li>▪ The AER demonstrates a sound knowledge and understanding of energy consumers</li> </ul>	<p>Proportion of survey respondents that Strongly Agree/Agree with the statement (Trend)</p>
<p>Consumer (household and small business) confidence in their ability to make responses to make choices about energy products and services confidence</p>	<p>Proportion of respondents in ECA Consumer Sentiment Survey rating a 7/10 or higher (Trend)</p>
<p>Number of people completing their search on Energy Made Easy (EME)</p>	<p>Number—EME Tracking Data (Trend)</p>
<p>Percent of new and amended retailer hardship policies assessed within 12 weeks of AER receiving all relevant information</p>	<p>100%</p>
<p>Percent of retail authorisation and exemptions applications to sell energy assessed within 16 weeks of receiving all relevant information</p>	<p>100%</p>
<p>Customers on market versus standing offers</p>	<p>Percentage of customers (AER Retailer Data) (Trend)</p>

**Objective: Effectively regulate competitive markets through monitoring and reporting, enforcement and compliance**

<b>Performance Indicators</b>	<b>Measure/Target</b>
Extent to which competition in retail and wholesale energy markets is identified as an issue	Commentary in AER/AEMC reports
All market reports published within agreed/statutory timeframes:	100%
<ul style="list-style-type: none"> <li>▪ <i>Weekly Wholesale Markets</i></li> <li>▪ <i>Quarterly Retail &amp; Wholesale Market Performance</i></li> <li>▪ <i>Annual Retail Compliance</i></li> <li>▪ <i>Annual State of the Energy Market</i></li> <li>▪ <i>Biennial Wholesale Electricity Market</i></li> <li>▪ <i>High Price Events</i></li> </ul>	
Work delivered against AER consumer Compliance & Enforcement priorities (life support and hardship)	Proportion of Work Program—AER Data
Work delivered against AER effective regulation of market Compliance and Enforcement priorities (metering, provision of information and gas)	Proportion of Work Program—AER Data

**Objective: Deliver efficient regulation of monopoly infrastructure while incentivising networks to become platforms for energy services**

<b>Performance Indicators</b>	<b>Measure/Target</b>
AER Stakeholders' agreement with the following statements:	Proportion of survey respondents that Strongly Agree/Agree with the statement (Trend)
<ul style="list-style-type: none"> <li>▪ The AER encourages and enables innovation by network businesses</li> <li>▪ The AER promotes efficient investment in, operation and use of energy services for the long term interests of consumers</li> </ul>	
Revenue reset determinations for electricity networks and gas pipelines completed within statutory timeframes	100%
Number of completed revenue decisions for electricity networks and gas pipelines	Number per annum
Customers with a retailer exposed to cost reflective network tariff	Proportion of customers—AER Retailer data (Trend)

**Objective: Use our expertise to inform debate about Australia's energy future and support the energy transition**

<b>Performance Indicators</b>	<b>Measure/Target</b>
AER Stakeholders' agreement with the following statements:	Proportion of survey respondents that Strongly Agree/Agree with the statement (Trend)
<ul style="list-style-type: none"> <li>▪ The AER is an authoritative and trusted source of information about Australian energy markets</li> <li>▪ The AER engages effectively with its stakeholders</li> <li>▪ The AER shows leadership in pursuing or promoting priority issues in the energy sector</li> </ul>	
Extent to which AER submissions to policy and rule making processes make an impact	Annual qualitative self-assessment
Reach of AER social media activities	Audience growth rates and engagement metrics (Trend)
Sentiment of AER media coverage	Proportion of positive sentiment (Trend)

## Other measures of performance

### AER stakeholder research

Since 2008 the AER has completed biennial research to measure how it is meeting certain key performance indicators and stakeholder needs and expectations. These indicators go to the capabilities of a good regulatory agency, such as impartiality, transparency, engagement and timeliness of decisions. The latest findings were released in late 2018. The AER has invited a broad range of organisations to participate in this stakeholder research including network businesses, retailers, generators, ombudsman schemes, state regulators, industry and consumer representatives and associations, consultants, government departments, and energy ministers. The project typically gathers both quantitative and qualitative feedback with all stakeholders being asked to complete an online survey and a smaller number of senior people from key stakeholder groups participating in one-on-one qualitative interviews.

We will undertake the next survey in 2020–21, having postponed it from the first half of 2020 as a result of the COVID-19 situation. We will review the methodology to ensure that it continues to reflect good practice, while aiming to retain comparability with previous years' results.

### Performance reporting

We report on our performance against the Corporate Plan indicators in our Annual Report. We are committed to being transparent and accountable in how, and for what purposes, we undertake our functions. To achieve this, we frequently provide up to date and clear performance information to our stakeholders. The AER will continue to use a number of different avenues to report on our performance in addition to reporting in our annual performance statement and annual report against the targets in our corporate plan.

The AER publicises important outcomes from our work through media engagement and an active program of speaking engagements for our Chair and Board members. We have a strong and growing engagement with the community through social media. The AER also produces Energy Dispatch on a monthly basis, which details our activities in the energy sector and highlights our latest news and developments.



AUSTRALIAN COMPETITION  
& CONSUMER COMMISSION



AUSTRALIAN  
ENERGY  
REGULATOR

