

Work program 2018-19

A snapshot of our operational plan

June 2018



A one year plan with a three year outlook

Our Operational Plan 2018–19 is a detailed one year plan for the Essential Services Commission within the context of a three year outlook covering 2017–2020.

This **work program** is a summary of the priorities contained in the 200 page operational plan.

Our priorities are grouped under five goals which represent the key focus areas for each division.

Our priorities seek to capture, in brief, our medium-term goals for delivering on our purpose and vision.

Our purpose: To promote the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services.

Our vision: Promoting thought leadership, delivering great performance.



Our priorities

Goal 1:	Goal 2:	Goal 3:	Goal 4:	Goal 5:
We will ensure our regulatory regimes are designed to promote outcomes that are in the interests of consumers.	We will create effective and efficient incentives for businesses to perform consistent with regulatory objectives.	We will deliver high quality advice to government on issues related to economic regulation.	We will be an organisation that promotes thought leadership, diversity and delivers great performance.	We will be an organisation that creates and values effective and constructive relationships with stakeholders.

Goal 1: consumer focused outcomes

Goal 1:	Energy	Water	Transport	VEET
<p>We will ensure our regulatory regimes are designed to promote outcomes that are in the interests of consumers</p>	<ul style="list-style-type: none"> • Developing family violence guidelines for energy businesses • Enhance protections for customers living in embedded networks • Update codes to enhance quality of information provided to energy customers 	<ul style="list-style-type: none"> • Evaluate our new approach to water pricing • Evaluate the family violence policies implemented by water corporations. • Look for opportunities to simplify regulatory processes • Introduce reporting of customer perceptions 	<ul style="list-style-type: none"> • Publish interim commentary on the port's 2018 tariff compliance statement • Determine regulated maximum fares for unbooked commercial passenger services • Recommend fees to the minister regarding accident towing and storage 	<ul style="list-style-type: none"> • Ongoing review of our systems and processes in consultation with participants to ensure energy consumers benefit from the scheme

Goal 1: consumer focused outcomes

Goal 1:	Local government	Strategic communication
We will ensure our regulatory regimes are designed to promote outcomes that are in the interests of consumers.	<ul style="list-style-type: none">• Deliver robust 2019–20 higher cap decisions• Provide guidance to councils• Promote best practice community engagement	<ul style="list-style-type: none">• Increase organisational capacity and confidence to communicate clearly, and engage effectively, with stakeholders by providing strategic advice and support

Goal 2: incentives for businesses to perform

Goal 2:	Energy	Water	Transport
We will create effective and efficient incentives for businesses to perform consistent with regulatory objectives.	<ul style="list-style-type: none">• Publish reports on energy companies performance• Develop compliance strategies and targeted audit programs to foster self-compliance• Use enforcement action to deter non-compliance	<ul style="list-style-type: none">• Update the pricing framework to prepare for price reviews for Western Water, South Gippsland Water, Goulburn Murray Water and Melbourne Water	<ul style="list-style-type: none">• Determine maximum fares for unbooked commercial passenger vehicles that accommodates transition toward competition• Improve our guidance for the Port of Melbourne to ensure it supports a transparent and predictable regime

Goal 2: incentives for businesses to perform

Goal 2:	Local government	Strategic communication
We will create effective and efficient incentives for businesses to perform consistent with regulatory objectives.	<ul style="list-style-type: none">• Promote compliance with the rate cap by ensuring the process is clear and manageable• Highlight impacts of rate capping	<ul style="list-style-type: none">• Increase stakeholder awareness, understanding and support for our work by supporting divisions to communicate and engage effectively

Goal 3: high quality advice

Goal 3:	Energy	Water	Transport	VEET
We will deliver high quality advice to government on issues related to economic regulation.	<ul style="list-style-type: none">Define and apply a framework for reporting on competitiveness and efficiency in the market	<ul style="list-style-type: none">Look for opportunities in new work areas, particularly in regard to licensing and third part access	<ul style="list-style-type: none">Inform policy makers and consumers on market performance through our price review and monitoring workMake recommendations on pricing and service delivery that reflect competitive market outcomes	<ul style="list-style-type: none">Expand our risk-based approach to all approval processesPromote compliance through our processesBe fair, consistent and transparent in our decisions

Goal 3: high quality advice

Goal 3:	Local government	Strategic communication
<p>We will deliver high quality advice to government on issues related to economic regulation.</p>	<ul style="list-style-type: none">• Provide timely and robust advice on rate caps, waste charges• Proactively identify any emerging issues related to sector	<ul style="list-style-type: none">• Provide stakeholder engagement leadership to ensure our work is well informed• Monitor the media and other information sources to identify emerging issues

Goal 4: thought leadership and great performance

Goal 4:	Energy	Water	Transport
<p>We will be an organisation that promotes thought leadership, diversity and delivers great performance.</p>	<ul style="list-style-type: none">• Use technology to streamline processes• Foster diversity and inclusion within the division	<ul style="list-style-type: none">• Further develop the PREMO pricing framework• Implement a new survey of customer perception• Look for better ways to report on water corporations performance	<ul style="list-style-type: none">• Hold workshops to promote innovative thinking• Promote a performance focused team culture

Goal 4: thought leadership and great performance

Goal 4:	Local government	Organisational performance	Strategic communication
We will be an organisation that promotes thought leadership, diversity and delivers great performance.	<ul style="list-style-type: none">• Explore new ways of engaging with councils, ratepayers and the community	<ul style="list-style-type: none">• Refresh our people strategy to prioritise our future workforce needs for 2020 and beyond• Prioritise risk oversight and management• Deliver financial budget support and annual financial statement certification with the Victorian Auditor General's Office	Enhance the commission's reputation as a leading economic regulator

Goal 5: effective stakeholder relationships

Goal 5:	Energy	Water	Transport	VEET
<p>We will be an organisation that creates and values effective and constructive relationships with stakeholders.</p>	<ul style="list-style-type: none"> Regularly engage with our regulatory community using different channels, including forums, e-newsletters and site visits Improve the diversity of stakeholders we engage with on our work program 	<ul style="list-style-type: none"> Look for new approaches to engage with water businesses through increased use of workshops, seminars, conferences, and webinars. Use IAP² in developing our work program 	<ul style="list-style-type: none"> Improve our understanding of the environments we work in Maintain positive relationships with key stakeholders Support key initiatives like plain English IAP² 	<ul style="list-style-type: none"> Continually to improve our internal and external communication

Goal 5: effective stakeholder relationships

Goal 5:	Local government	Organisational performance	Strategic communication
We will be an organisation that creates and values effective and constructive relationships with stakeholders.	<ul style="list-style-type: none">• Support efforts to improve the local government performance reporting framework• Support best practice community engagement by us and the sector	<ul style="list-style-type: none">• Foster organisational excellence through services of decision support	<ul style="list-style-type: none">• Establish a new digital communication system (e-newsletter platform).• Reinforce new standards in writing and engagement• Further develop organisational capacity for effective stakeholder engagement