



# Essential Services Commission Regulatory Priorities 2025–26

1 July 2025



## **Acknowledgement**

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities, and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

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# Foreword

We are adapting to a rapidly evolving environment. Cost-of-living pressures, climate change, technological innovations and shifting consumer needs and expectations are transforming the sectors we regulate.

In this context, we developed our new [2025–29 Strategic Plan](#), shaped by insights from government, regulated sectors, and consumer and community groups. The plan sets out our vision, guides our work, and focuses us on the outcomes we aim to deliver.

Our vision is for fair and dependable essential services, today and tomorrow.

Our role is to regulate Victoria's essential services in a way that is fair, transparent, efficient, and responsive to community needs. This approach helps create conditions for the sectors we regulate to deliver outcomes for consumers and the broader community.

I am pleased to share the commission's regulatory priorities for 2025–26 demonstrating how we will prioritise our activities to promote outcomes that are in the long-term interests of all Victorians.

As the state's economic regulator of essential services, our work touches the lives of every Victorian every day. Whether we are setting prices, enforcing consumer protections, reporting on service standards or market performance, or determining rate cap applications, our decisions have the potential to affect many aspects of life for every household and business across the state. We carry out this role with a clear eye on efficient and effective regulation, accelerating our processes and removing unnecessary requirements wherever we can.

The strategic plan also shapes our enforcement and proactive compliance work. Our priorities focus on the areas of greatest risk and potential harm.

In 2025-26, our compliance and enforcement efforts will:

- Take action to address practices that exacerbate cost-of-living pressures.
- Hold businesses accountable when they fail to provide consumers experiencing vulnerability with fair and equitable access to essential services.
- Deter conduct that increases the likelihood and impact of harm to consumers affected by family violence.
- Address conduct that compromises market integrity.
- Focus on conduct impacting Victoria's First Nations people.

We look forward to working with the community and businesses to achieve the best outcomes for Victorians in the coming year.

Gerard Brody

Chairperson, Essential Services Commission

# Our regulatory priorities 2025–26

Our vision:

*Fair and dependable essential services, today and tomorrow.*

Our objective is to create long-term impact across the four domains outlined in the *2025–29 Strategic Plan*.

The Essential Services Commission is Victoria’s economic regulator. We promote the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services. We promote consumer interests by:

- regulating Victoria’s energy, water and transport sectors
- overseeing the Fair Go Rates system
- administering the Victorian Energy Upgrades program.

We are required to perform functions under the *Essential Services Commission Act 2001* and various industry legislation.



## Efficient Pricing

Prices are fair, economically efficient, and represent the best value for consumers.

Our 2025–26 work includes:

- Ensuring fair and efficient water pricing for the longer term:
  - Conducting price reviews for Melbourne Water and North East Water.
  - Approving annual tariffs for the 16 other water businesses.
  - Further developing guidance to water businesses that advances customer engagement, achieves improved efficiency and pricing, and provides protections for consumers experiencing vulnerability.
  - Undertaking the PREMO (Performance, Risk, Engagement, Management, Outcomes) improvement project.
  - Delivering the New Customer Contributions framework.
- Assessing council higher rate cap applications.
- Assessment of the annual port tariff compliance statement.
- Continuing to provide a fair price for electricity consumers by setting the Victorian Default Offer.



## Equitable Services

Essential services are accessible, inclusive, and responsive to all consumers, regardless of circumstances.

Our 2025–26 work includes:

- Updating our Getting to Fair initiative to ensure consumers experiencing vulnerability are supported.
- Driving improvements in business responses to vulnerability and customer service.
- Partnering with Women’s Health in the North to deliver energy literacy content to communities in areas experiencing high levels of financial hardship.
- Updating our Better Practice in Responding to Family Violence guideline through our Safety by Design work.
- Reforming the Energy Retail Code of Practice.
- Contributing to the establishment of guidelines for local government to help ratepayers who are experiencing financial hardship.
- Delivering on our commitment to embed First Nations perspectives in our regulatory work.
- Developing a better understanding of First Nations consumers, acknowledging self-determination as a guiding principle.



## Resilience and Sustainability

Essential services remain just, reliable and cost-effective as they respond to long-term changes, including the transition to carbon neutrality.

Our 2025–26 work includes:

- Building our regulatory capability and culture to continue the transition from program administrator to regulator in the Victorian Energy Upgrades program.
- Implementing the new insulation activity in the Victorian Energy Upgrades program.
- Streamlining project-based activity assessment in the Victorian Energy Upgrades program.

- Planning for, and implementing, the outcomes of the Victorian Energy Upgrades Strategic Review, to enhance the efficiency, effectiveness and integrity of the program.
- Supporting the implementation of the Network Outage Review and Network Resilience Review.
- Continually improving processes to support efficient licensing of renewable generation.
- Considering long term investment in infrastructure and sustainability in the water sector as part of the PREMO improvement project.



## Integrity and Trust

Markets operate with integrity and trust, and regulation promotes transparency, accountability, certainty and consumer confidence.

Our 2025–26 work includes:

- Enhancing and making clearer consumer protections in the Energy Retail Code of Practice.
- Implementing new regulatory powers in the *Victorian Energy Efficiency Target Amendment (Energy Upgrades for the Future) Act 2025*.
- Using market intelligence to target compliance activities and support businesses to meet obligations.
- Further developing our water compliance framework and update of the commission's Compliance and Enforcement Policy.
- Monitoring and reporting on councils' compliance with the rate cap.
- Further developing the framework for water business self-reporting of breaches of water industry standards.
- Focusing proportionate enforcement action where system failures undermine trust and integrity in essential services.
- Using our enforcement tools to undertake enforcement actions for breaches of Victoria's energy and water laws and regulations.

## Strategic enablers

Our work is supported by the right culture, systems and processes.

Our 2025–26 work includes:

### Enhancing the ways we listen and communicate

- Driving evidence-based opportunities for collaboration, including working alongside consumers and industry to develop rules and guidance.
- Establishment of a Victorian Energy Upgrades industry reference group.
- Focusing on water sector engagement and workshops.
- Incorporating First Nations engagement and self-determination initiatives into all our work.
- Continuing to embed consumer vulnerability into the commission’s regulatory approaches and strategies.

### Using technology to support more productive, effective and evidence-based regulation

- Enhancing our new Victorian Energy Upgrades program registry system.
- Uplifting our IT and data capabilities to drive secure, data-driven and effective regulatory outcomes.

### Ensuring our people have the right skills and capability

- Ensuring our workforce has the right skills, structures and flexibility to delivery our strategic priorities and adapt to emerging challenges.
- Fostering a psychologically safe, inclusive, and engaged workplace where everyone feels like they belong.
- Developing leadership capabilities at all levels, focusing on strategic alignment.
- Driving a culture of accountability and value by aligning people practices with strategic priorities and the standards and capabilities of VPS employment.

# Our compliance and enforcement priorities

The priorities guide our compliance and enforcement work by highlighting the areas of most risk and harm in the energy and water sectors, and Victorian Energy Upgrades program.

While the commission will focus on our priority areas, we retain capacity to pursue other matters where we identify harm associated with significant non-compliance.

The priorities align with the outcomes and focus areas set out in our *2025–29 Strategic Plan*.

Our [compliance and enforcement policy](#) sets out our approach to compliance and enforcement and describes how we use our investigative and enforcement powers.

The commission may not always be the most appropriate agency to handle a potential breach, in such cases, it will coordinate with or refer the matter to a more appropriate agency.

## Take action to address practices that exacerbate cost of living pressures



As cost-of-living pressures continue to impact many Victorians, we will prioritise action against conduct that contributes to these pressures or seeks to exploit them.

In **Energy** and **Water**, we will focus on:

- billing and pricing practices, particularly conduct resulting in unexpected or excessive bill shock
- failures by businesses to apply concessions, discounts, or credits and instances of overcharging.

In the **VEU program** we will focus on failures to comply with:

- code of conduct provisions that undermine consumers' informed choices about the incentives and benefits of energy efficient upgrades
- installation standards to ensure consumers receive the expected benefits of the energy efficiency upgrades.

## Hold businesses accountable when they fail to provide consumers experiencing vulnerability with fair and equitable access to essential services

Victorians experiencing vulnerability should have fair and equitable access to the essential services we regulate and administer. We will monitor and act where we identify predatory practices or behaviours that exploit or take advantage of consumers experiencing vulnerability.

In **Energy** and **Water**, we will:



- monitor and act when businesses place obstacles that hinder consumers experiencing vulnerability from connecting, staying connected, or getting help
- continue working closely with the Energy and Water Ombudsman (Victoria), financial counsellors, and consumer advocacy groups to improve outcomes for consumers experiencing vulnerability.

In the **VEU Program** we will focus on:

- conduct that target or exploits consumer vulnerability, particularly in marketing and lead generation
- practices that undermine consumer protections, including telemarketing and door knocking
- failures to rectify faulty, unsuitable, or unsafe installations.

**Deter conduct that increases the likelihood and impact of harm to consumers affected by family violence**



Businesses we regulate have a critical role in preventing and reducing the physical and financial harm that can be inflicted through the misuse of essential services by perpetrators of family violence. Our focus is on protecting essential services from being misused as tools of abuse, while ensuring robust support is available to affected consumers across the markets we regulate.

In **Energy** and **Water**, we will:

- build on insights from our Safety by Design partnership to encourage businesses to adopt safe design practices
- monitor and act where businesses fail to protect the accounts of consumers affected by family violence.

**Address conduct that compromises market integrity**



We will investigate conduct that reduces consumer trust in the market. This conduct undermines integrity of the market and stifles competition.

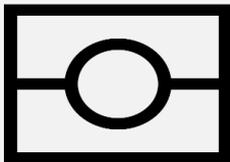
In **Energy** we will:

- pursue deliberate business practices that place profit ahead of legal obligations, recklessly increase the risk of non-compliance, or undermine consumers' ability to make informed choices
- promote a culture of integrity and accountability to ensure energy providers act lawfully and in the interest of consumers.

In the **VEU program**, we will focus on Accredited Persons and Scheme Participants that engage in:

- fraudulent conduct including:
  - creating certificates based on falsified upgrade activities
  - creating certificates where the pre-existing environment has been falsified or altered
- upgrades performed without the consent of the energy consumers or property owner.

**Focus on conduct  
impacting Victoria's First  
Nations people**



First Nations communities in Victoria face significant barriers in accessing essential services. We will prioritise our compliance efforts to encourage businesses to meaningfully engage with First Nations Victorians and tailor their communication, engagement, and consumer support to meet community needs.

This includes working in genuine partnership with First Nations communities to improve access to information, resources, and tools that support energy and water security.

We will also identify and address misconduct that disproportionately affects, targets, or causes harm to First Nations people.

# Work program calendar

2025	July	August	September	October	November	December
<b>Energy</b>			Revised Energy Retail Code of Practice published  Quarterly Victorian Energy Market Dashboard released			Annual Victorian Energy Market Dashboard released
<b>Victorian Energy Upgrades</b>	New VEU regulatory powers commence	Establish VEU Program Industry Reference Group			VEU Program forum and webinar	
<b>Water</b>		Quarterly water customer perceptions survey published	Better Practice in Responding to Family Violence guide	Water outcomes report	Quarterly water customer perceptions survey published	New Customer Contributions framework review  Water annual performance report released
<b>Local Government</b>						Local government compliance report
<b>Transport</b>		Ports annual tariff compliance assessment				

2026	January	February	March	April	May	June
<b>Energy</b>			Quarterly Victorian Energy Market Dashboard released  Victorian Default Offer draft decision		Victorian Default Offer final decision	Quarterly Victorian Energy Market Dashboard released
<b>Victorian Energy Upgrades</b>			Commencement of new insulation activity		VEU Program forum and webinar	
<b>Water</b>		Melbourne Water and North East Water price review - draft decision  Quarterly water customer perceptions survey published		Quarterly water customer perceptions survey published	Melbourne Water and North East Water price review - final decision	Annual water tariff approvals
<b>Local Government</b>					Local Government Higher Cap decision	