2025–29 Strategic plan

ESSENTIAL SERVICES COMMISSION

Vision

Fair and dependable essential services, today and tomorrow

Purpose

We promote the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services

Values

- integrity
- collaboration
- impartiality
- excellence
- respect

The commission seeks to create long-term impact across the following domains:

Efficient Pricing

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

Equitable Services

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

Resilience and Sustainability

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

Integrity and Trust

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

What we do to deliver outcomes

- Licence and accredit businesses
- Make pricing determinations
- Establish customer service standards
- Promote compliance and undertake enforcement
- Oversee markets and analyse business performance
- Promote improved business practices
- Conduct reviews

Outcomes we seek to achieve

Efficient Pricing

OUTCOME	PERFORMANCE INDICATORS	
Prices are kept to their lowest sustainable level over time	Proportion of mean disposable income spent on water	below 3%
Businesses respond to incentives to improve customer value	Value for money sentiment for energy	more than 59% for electricity and 65% for gas
	Number of water businesses rated as advanced under the PREMO price decision	above 6
	Average rating by water customers of the value for money provided by their water business	more than 6.2/10
	Consumers who access a VEU upgrade consider it reflects fair value	improving trend
Effective competition delivers more efficient pricing and better service for all consumers	Residential electricity Herfindahl-Hirschman Index	below 2,000
	Proportion of energy customers not on their retailer's best offer who could save 15% or more annually if they switched to the best offer	less than 44% for electricity customers and 26% for gas customers

Equitable Services

OUTCOME	PERFORMANCE INDICATORS	
More customers receive their rights and entitlements	Water customers on flexible payment plans	more than 5.6 per 100 customers
	Proportion of residential energy accounts exiting tailored assistance with no arrears	more than 21% for energy and more than 21% for gas
	Proportion of residential energy accounts accessing tailored assistance and receiving an energy concession	more than: electricity - 34% for customers who can pay ongoing use - 57% for customers who cannot pay ongoing use gas - 35% for customers who can pay ongoing use - 58% for customers who cannot pay ongoing use
Data on service quality, prices and reliability drive action in addressing gaps	Total number of complaints in VEU (made to the commission) per 10,000 activities	declining trend
	Percentage of PREMO outcomes met by water businesses	more than 70%
	Average water customer perception score for reputation in the community	more than 6.6/10
	Average water customer perception score for overall satisfaction	more than 6.7/10
	Commission distribution of data insights	3 articles per annum

Resilience and Sustainability

OUTCOME	PERFORMANCE INDICATORS	
Increased energy efficiency reduces costs for households and businesses	Percentage of random sample of VEU activity claims reviewed as compliant with program rules	90%
Businesses and markets actively adjust to major forces, trends and transitions, maintaining reliability	Average water customer minutes off supply	less than 22.6 minutes
	Licensees maintain a voltage level between 216 volts and 235 volts	at least 95% of customer base
	Victorian distribution businesses' performance against targets in ministerial licence conditions for greenfields negotiated connections	improving trend
Regulatory decisions align more consistently with other regulatory frameworks, improving predictability and reducing compliance costs for businesses and consumers	Consistency and predictability of the commission's decision-making	improving trend

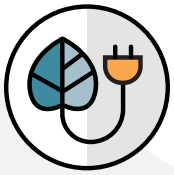
Integrity and Trust

OUTCOME	PERFORMANCE INDICATORS	
Earlier identification and response to consumer harm and integrity failures	Average time between energy regulated business detecting a compliance breach and submitting a breach report to commission	less than 50 days
	Average time between a water business detecting a compliance breach and submitting a required initial breach report	5 days or less
	Percentage of assurance audits result in assessments of high or full compliance	80%
Regulatory decisions, business performance and customer outcomes are more transparent, increasing public confidence	Confidence in the Victorian energy market	improving trend
	Satisfaction with how the commission performs its function as a regulator	more than 61
	Reputation score based on personal interactions with the commission	more than 66
	How much stakeholders trust the commission to do the right thing by Victorian consumers	more than 71
Businesses are accountable for meeting obligations, wrongdoing attracts proportionate consequences	Index score for regulated entities, their perception about: - likelihood of detection - deterrent effect of compliance and enforcement action	improving trend
	Port of Melbourne compliance with pricing order	full compliance
	Local government compliance with rate cap	100%

Focus areas

Shaping essential services that deliver for consumers

- **Setting strong standards to build confidence in Victoria's energy transition –** ensuring the Victorian Energy Upgrades program supports effective and trusted decarbonisation.
- **Building inclusive essential services where no one is left behind –** updating Getting to Fair to ensure consumers in vulnerable situations are supported.
- **Exploring principles-based, outcomes-focused regulation –** considering approaches like a duty of care to drive better consumer outcomes and reduce reliance on unnecessary prescription.



Regulating infrastructure that delivers for Victoria in the long term

- **Ensuring fair and efficient water pricing for the longer term –** through robust price reviews.
- **Supporting a sustainable and efficient port –** promoting fair pricing that supports critical infrastructure to meet future needs.
- **Strengthening reliability and resilience –** evolve pricing and regulatory approaches to better hold businesses accountable for climate change adaptation and resilience, where benefits outweigh the costs of doing so.

Strengthening engagement to build trust and awareness

- **Enhancing the way we listen and communicate –** including by making our commissioners more accessible, so that we can better understand the benefits and costs of our decisions on consumers and businesses, and the impact of our role is more visible.
- **Driving evidence-based opportunities for collaboration –** working alongside consumers and industry to develop rules and guidance that protect consumers, are workable for businesses and empower them to navigate the complexities of the energy transition.
- **Strengthening First Nations engagement and inclusion –** improving opportunities for First Nations people to access, deliver, engage with and benefit from the essential services we regulate.

Impactful compliance and enforcement

- **Proactive compliance activities that prevent consumer harm –** using market intelligence to target compliance activities and support businesses to meet obligations.
- **Enforcement that improves the market –** focusing proportionate enforcement action where system failures undermine trust and integrity in essential services.
- **Using our range of enforcement tools –** effective and adaptive enforcement action in all situations.

Our areas of responsibility include regulating Victoria's energy, water and transport sectors, and administering the rate-capping system for the local government sector. We also regulate the Victorian Energy Upgrades program, which supports access to discounted energy efficient products and services for homes and businesses.