

Essential Services Commission expects increased compliance from energy businesses

A new report released by the Essential Services Commission highlights its strong expectation that energy businesses will comply with the energy rules.

Under new legislation, the commission has increased enforcement tools, including new investigative powers and pathways to conduct civil and criminal legal action. Penalty levels have been significantly increased, and a new Energy Retail Code of Practice specifies further obligations that can be enforced by the commission if breached.

The Victorian Government has also banned certain marketing practices, such as ‘save and win-back’ offers, door-to-door sales and cold-calling by energy retailers.

Commission chair Kate Symons said energy businesses should be investing in their compliance culture and processes in line with the new legislation.

“These new rules allow the commission to fulfil its aim of acting to protect consumers, and energy businesses should be ensuring their compliance systems recognise these changes,” she said.

The [March Victorian Energy Market Report](#) also includes economic analysis of the extent of innovation in Victorian retail energy markets. It found many offers in the market do not differ in valuable ways, making it challenging for consumers to navigate.

“Energy consumers have a growing appetite for innovative energy offers, but what is being offered is not necessarily attractive to consumers,” Commissioner Symons said.

The report, available on the commission’s website, also shows from 1 July to 31 December 2021:

- Three electricity generation and seven retail energy licences were granted.
- Retailers paid almost \$8 million in penalty notices for alleged overcharging, wrongful disconnection, and improper marketing behaviour.
- Disconnection levels continue to be lower than in 2019 (noting the ceasing of disconnections during stay-at-home restrictions throughout 2020 and 2021). However, for customers receiving payment assistance, average arrears are 6 per cent higher than the average last financial year.

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