

Victorian Energy Efficiency Target scheme compliance and enforcement policy

Final decision

1 November 2017



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The Department of Environment, Land, Water and Planning develops policy for the [Victorian Energy Upgrades](#) program. The program provides incentives for Victorian households and organisations to make energy efficiency improvements that save money on their energy bills and reduce Victoria's greenhouse gas emissions

The Essential Services Commission administers the program as the 'Victorian Energy Efficiency Target scheme' under the *Victorian Energy Efficiency Target Act 2007*.

For more information, visit veet.vic.gov.au.

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1. Introduction

The purpose of the Victorian Energy Efficiency Target scheme compliance and enforcement policy (policy) final decision is to inform accredited persons and relevant entities (scheme participants) and other stakeholders of the Essential Services Commission's (commission's) approach to promoting and enforcing compliance with the Victorian Energy Efficiency Target (VEET) scheme. The final decision outlines our responses to issues raised by stakeholders in submissions to our draft decision and draft policy released in July 2017.

The final policy accompanies this paper, and will apply from the date of its publication on our website.

The policy is made under section 13 of the *Essential Services Commission Act 2001* (ESC Act) and applies to our VEET scheme compliance and enforcement functions.

Background

The *Victorian Energy Efficiency Target Act 2007* (VEET Act) makes the commission responsible for the administration of the Victorian Energy Efficiency Target (VEET) scheme. In administering the VEET scheme the commission has a number of compliance and enforcement options available to ensure compliance with the VEET Act, *Victorian Energy Efficiency Target Regulations 2008* (Principal Regulations) and *Victorian Energy Efficiency Target (Project-Based Activities) Regulations 2017* (PBA Regulations).

The commission has prepared the proposed policy with the intention of promoting and enforcing compliance with the VEET Act, Principal Regulations and PBA Regulations by:

- setting out how we will achieve compliance and carry out enforcement
- providing scheme participants with a better understanding of our compliance and enforcement processes
- assisting scheme participants to understand what we expect from them when participating in the VEET scheme
- encouraging an active compliance culture
- assisting scheme participants to comply with new activities such as project based activities, insulation activities and non-building based lighting, which are more complex and higher risk.

2. Our consultation

On 20 July 2017, we commenced a consultation on the draft policy and invited written submissions from stakeholders by 18 August 2017.

We received 2 written submissions in response to our consultation. They were from LEDified Lighting Corporation Pty Ltd (LEDified), an accredited person and the Energy Efficiency Certificate Creators Association (EECCA).

Submission summary

The two submissions did not directly comment on the proposed policy. The submissions are summarised below.

The submissions strongly support the compliance and enforcement measures used by the commission to help ensure the integrity of the program and to enable accredited persons to participate in the VEET scheme in the knowledge that a consistent regime may be applied to all stakeholders. They note the draft policy broadly reflects the measures that the commission has developed over the past nine years the program has been operating.

The submissions state that the draft policy is seriously deficient in one important respect, the lack of natural justice around appeals against VEET compliance and enforcement decisions made by the commission. Specifically, the submissions are concerned about the review provision under section 56 of the VEET Act, which constrains the range of decisions that can be reviewed and requires the commission to review its own decisions. The submissions request that the VEET Act be amended to allow appeals to the Victorian Civil and Administrative Tribunal (VCAT). They seek the commission's support in endeavouring to remedy what they consider a legislative flaw.

Response

The submissions raise concerns about the statutory review process in section 56 of the VEET Act. Any amendment to that section must be made by the Parliament. The statutory review process is outside the scope of the policy, which is to promote and enforce VEET scheme compliance.

Given that the submissions do not raise matters related to the contents of the policy, it is proposed to adopt the draft policy as the final policy.

3. Final decision

Under section 13 of the ESC Act, the commission has decided to approve the final policy which accompanies this paper, with effect from the date of its publication on our website.