

## Essential Services Commission publishes its new compliance and enforcement approach

The Essential Services Commission has published a new [compliance and enforcement policy](#), setting out its approach to using new compliance and enforcement powers.

Commissioner Sitesh Bhojani said legislative amendments that took effect during December 2021 and March 2022 recognise the essential nature of energy and the critical need for ongoing access to it by Victorian households and businesses.

“The new rules provide the commission with a broader range of enforcement options in respect of the energy sector, including penalty notices, civil litigation, or criminal prosecution,” he said.

“They provide us with extensive investigative powers appropriate for a modern regulator.”

The commission now has powers to obtain information, documents or search warrants and the ability to examine witnesses on oath.

Commissioner Bhojani said the commission uses its compliance and enforcement powers across all sectors in the public interest.

“We act to protect all consumers, especially those experiencing vulnerability.”

“We want to ensure that all customers are treated fairly, trust is enhanced in the relevant market or sector, and there is a level playing field for all businesses.”

“The new policy outlines a risk-based approach and adopts well-established regulatory practices to the specific industries the commission regulates”, he said.

In response to the legislative changes, the commission has already consulted on updates to its:

- [Energy Retail Code of Practice](#), which sets out enforceable obligations for energy retailers, including, for example, providing family violence assistance
- [Compliance and Performance Reporting Guideline](#), which sets out time-frames for self-reporting obligations which will also now be enforceable

It is currently seeking feedback on updates to its [Electricity Distribution Code of Practice](#), which sets out enforceable obligations for electricity distribution businesses.

The new policy is part of a package that modernises the commission’s compliance and enforcement framework.

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Commissioner Bhojani said energy businesses in Victoria need to review and update their staff training, compliance culture and compliance systems to ensure they are fit-for-purpose regarding Victoria's energy rules.

"The new policy is a further piece in the commission's transition as a compliance and enforcement-focused regulator", he said.

Commissioner Bhojani said it also fulfills the commission's promise to help energy businesses understand their obligations and its approach under the new rules.

**For further information call: Sam Ryan, Acting Head of Strategic Communication, 0437 677**

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