

Our strategy 2021–24: Delivering for consumers



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Our strategy 2021–24: Delivering for consumers

Our vision: Better essential services for Victorian communities.

To achieve our vision we will:

- be a strong and fair regulator
- be an active regulator
- create incentives for regulated businesses to provide value to customers
- deliver value to Victorian consumers.

This strategy outlines how we will deliver better essential services for Victorian communities and continue to promote their long-term interests. It has a medium-term outlook covering a rolling three-year period. It is refreshed annually to reflect changes in government and commission priorities.



What we do

Our purpose: Promote the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services

We regulate Victoria's energy, water and transport sectors, and administer the rate-capping system for the local government sector. We also regulate the Victorian Energy Upgrades scheme.

We use a formal process to exercise our responsibilities under the Essential Services Commission Act 2001. These responsibilities include:

- developing reports on how markets operate
- making price determinations
- taking compliance and enforcement actions
- producing compliance assessments and audits
- approving new market entrants.

We are led by four commissioners and our chief executive officer. Our commissioners are responsible for approving the determinations, reviews and decisions that respond to our primary responsibilities as an economic regulator.

We achieve our purpose by living our key values:

- integrity
- collaboration
- impartiality
- excellence
- respect.

Our stakeholders

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.



Our stakeholder engagement framework is built around five principles:

Principle 1: We are transparent and accountable. We are clear about what, when and how we consult. We publish information about how we make decisions and explain the decisions we have made.

Principle 2: Our engagement is considered, planned and genuine. We develop plans with the aim of providing time for meaningful, fit-for-purpose engagement with people who are affected or have an interest in our decisions.

Principle 3: Our engagement is inclusive. Our decisions are well-informed by input from a range of groups and individuals affected by or interested in our work.

Principle 4: Our information is clear, accessible and simple to understand. We present information in plain language that sets out clearly what we are doing, how people are affected and how they can get involved.

Principle 5: We listen and learn to improve our consultation and engagement. We evaluate and monitor our engagement and consultation, measuring ourselves against these principles.

Each year we publish a work program on our website that identifies key projects, performance measures and targets for the year as well as indicative timeframes for the release of our public reports and decisions.

Our changing environment

The regulatory space is changing and we are facing several challenges and opportunities over the next three years. The main changes to our environment are outlined below.



Our powers and functions are proposed to undergo legislative reform over the coming years



The coronavirus pandemic has had a direct impact on our operating environment, consumers and the businesses we regulate, and has dramatically changed the economic environment.



Climate change and the increased frequency and intensity of extreme weather is driving demand for greater energy efficiency and innovation and putting greater demands on infrastructure.



Regulators are increasingly being challenged to take effective and appropriate enforcement action.



The increasing use of data and knowledge is driving changes to technology requirements, privacy considerations and decision-making.



Understanding how our role affects customers experiencing vulnerability has become critical to our work in promoting the long-term interests of Victorians.

Delivering for Victorians

To achieve our purpose, and respond to the changing external context, we will focus on four goals:

1 We will be a strong and fair regulator

To increase trust that we will deliver in the best interests of consumers we will:

- hold regulated businesses to account, and deter behaviour that is not consistent with the rules we administer
- promote behaviour in the best interests of consumers
- make use of all the powers available to us in our legislation.

2 We will be an active regulator

To continue to respond effectively to the changing environment and solve real problems we will:

- engage with the community and stakeholders to understand their needs and expectations
- use data sources and intelligence to assess what is happening in regulated sectors
- continuously improve our regulatory processes and reform our codes
- look for ways to proactively solve issues
- break down barriers to consumers accessing essential services.

3 We will create incentives for regulated businesses to provide value for customers

To ensure regulated businesses deliver value for customers we will:

- ensure our regulatory frameworks and practices are designed to create effective relationships between those who deliver essential services and their customers
- create incentives for regulated businesses and markets to have strong governance, systems and culture
- promote transparency and accountability for and in regulated businesses
- hold events and campaigns to inform consumers about their rights.

4 We will deliver value to Victorian consumers

To enable us to deliver our services effectively and efficiently we will:

- prioritise to ensure resources are focused on the areas that deliver the most value
- be innovative in our delivery of projects
- have a clear understanding of the effectiveness of what we do
- make quality and timely decisions.

Creating the right culture, systems and processes

We will ensure our business processes are set up to support us in achieving our goals. Our focus areas that enable us to succeed are outlined below.



Effective processes for engaging with stakeholders

Effective engagement and building trust with the community, regulated businesses and other stakeholders is critical for all aspects of our regulatory process.

We will:

- ensure our engagement approaches are inclusive
- listen and learn to continue to adapt our engagement processes
- use a range of methods for stakeholders to contribute meaningfully to our work.



Effective data, evidence and information management

All our goals require us to effectively manage data and information associated with cases, evidence and analysis.

We will:

- ensure our information management is appropriately designed and integrated
- build our data analysis capability to enable the effective use of data
- make better decisions based on data, knowledge and information.



People with the right mix of skills and knowledge

As we reform the different core processes that deliver outcomes for customers, we need to ensure that we have the right mix of people to get the job done.

We will:

- undertake ongoing assessment of the range of skills and knowledge required to deliver the benefits associated with our new functions
- ensure that everyone is given the opportunity to display and develop leadership
- create opportunities to collaborate and form connections across the commission and with the community.



A workplace that promotes diversity, inclusion and flexibility

To deliver on our goals we must attract the best talent, and provide a modern, safe and supportive workplace for our people. To achieve this we will:

- build a flexible environment where all employees work at their best
- have a clear pathway for diversity and inclusion at the commission
- deploy technology that supports new ways of working.

Transforming our business processes

Our focus areas in 2021–22 are to:

- transform our enforcement capability
- reform our processes for supporting consumers
- adapt our responses to climate change.

Transform our enforcement capability

Having an effective enforcement function is critical to delivering our goal of being a strong and fair regulator. The Victorian Government has committed to significantly increasing our enforcement powers.

We will:

- have an established and appropriately resourced enforcement capability that enables us to deliver appropriate action in a timely way.
- see a significant shift in our stakeholder's perceptions of us in our enforcement role over time.

Reform our processes for supporting consumers

The economic impact of the coronavirus pandemic has highlighted the importance of our frameworks to support customers experiencing vulnerability.

We will:

- continue to focus on our engagement approaches and how we understand customer experiences, as well as how effective regulatory interventions are for consumers experiencing payment difficulties and family violence
- ensure individuals and representatives of those experiencing vulnerability engage with us
- ensure our policies support these consumers in accessing essential services.

Adapt our responses to climate change

To ensure our approach to regulation is aligned with the government's climate change objectives, we must support consumers and regulated businesses in the transition to net zero emissions and climate change resilience. To further these objectives an expansion of the Victorian Energy Upgrades scheme will occur in 2021–22.

We will:

- prepare for adaption in our sectors as they respond to the government's climate change objectives
- implement changes to the Victorian Energy Upgrades scheme that will further reduce emissions.

Our strategy 2021–24

Our vision

Better essential services for Victorian communities

Our purpose

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

Our goals

- 1 We will be a strong and fair regulator
- 2 We will be an active regulator
- 3 We will create incentives for regulated businesses to deliver value for customers
- 4 We will deliver value to Victorian consumers

Our enablers are:

- effective processes for engaging with stakeholders
- effective data, information, and evidence management
- staff with the right mix of skills and knowledge
- a workplace that promotes flexibility and diversity.

In 2021–22 we will focus on:

- transforming our enforcement capability
- reforming our processes for supporting consumers experiencing vulnerability
- adapting our responses to climate change.

Our values Integrity Collaboration Impartiality Excellence Respect

What we do

A. Engage with stakeholders

B. Identify and advise on regulatory problem or opportunities

C. Establish customer-focused frameworks

D. Make decisions in line with our frameworks

E. Monitor compliance

F. Enforce non-compliance when necessary

G. Report on performance of regulated sector outcomes

Key business (external customer) processes

H. Be a safe and skilled workforce

I. Measure our own performance

J. Manage financial resources

K. Design and improve processes

L. Capture and leverage knowledge

M. Govern and plan the organisation

N. Provide enabling information technology support

Key support (internal customer) processes

