

The commission's objectives – electricity licence applications

In deciding whether to grant or refuse an electricity licence application, we must consider our statutory objectives under the *Essential Services Commission Act 2001* (ESC Act) and the *Electricity Industry Act 2000* (Electricity Industry Act).

[Essential Services Commission Act 2001 \(legislation.vic.gov.au\)](http://legislation.vic.gov.au)

The primary objective under section 8 of the ESC Act, when performing our functions and exercising our powers, is to promote the long-term interests of Victorian consumers. In seeking to achieve this objective, we must have regard to the price, quality and reliability of essential services and the matters under section 8A of the ESC Act to the extent that they are relevant.

The matters listed under section 8A are:

- (a) efficiency in the industry and incentives for long term investment;
- (b) the financial viability of the industry;
- (c) the degree of, and scope for, competition within the industry, including countervailing market power and information asymmetries;
- (d) the relevant health, safety, environmental and social legislation applying to the industry;
- (e) the benefits and costs of regulation (including externalities and the gains from competition and efficiency) for—
 - (i) consumers and users of products or services (including low income and vulnerable consumers);
 - (ii) regulated entities;
- (f) consistency in regulation between States and on a national basis;
- (g) any matters specified in the empowering instrument.

[Electricity Industry Act 2000 \(legislation.vic.gov.au\)](http://legislation.vic.gov.au)

Section 10 of the Electricity Industry Act lists the objective of commission under that Act. These are:

- (a) to the extent that it is efficient and practicable to do so, to promote a consistent regulatory approach between the electricity industry and the gas industry; and
- (b) to promote the development of full retail competition; and
- (c) to promote protections for customers, including in relation to assisting customers who are facing payment difficulties.