

Stakeholder Engagement Framework

Charter of consultation and
regulatory practice

September 2023

This report has been endorsed by the Commissioner and Chairperson of Energy Safe Victoria.

Authorised and published by Energy Safe Victoria

Melbourne Sept 2023

© Copyright State of Victoria 2023

You are free to re-use this work under a Creative Commons Attribution 4.0 licence, provided you credit the State of Victoria (Energy Safe Victoria) as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any images, photographs or branding, including Government logos.

ISBN: 978-1-925838-15-2

This document is also available online at www.esv.vic.gov.au

Contents

Introduction	4
Stakeholder engagement is essential to our work	5
Our commitment to our stakeholders	6
We foster a culture that seeks and values stakeholder engagement	6
We ensure our engagement is meaningful, accessible, and fair.....	6
Charter of Consultation and Regulatory Practice	7
Our engagement principles	7
Our engagement in practice	9
Appendix 1: Framework definitions	12
Appendix 2: Inquiries guidelines	13
Appendix 3: Corporate plan guidelines	17

Introduction

We are Victoria’s independent energy safety regulator. We exist to keep Victorians energy safe and ensure energy can be used confidently. We do this through a range of activities such as education, setting standards and monitoring and enforcing compliance with Victoria’s energy safety laws.

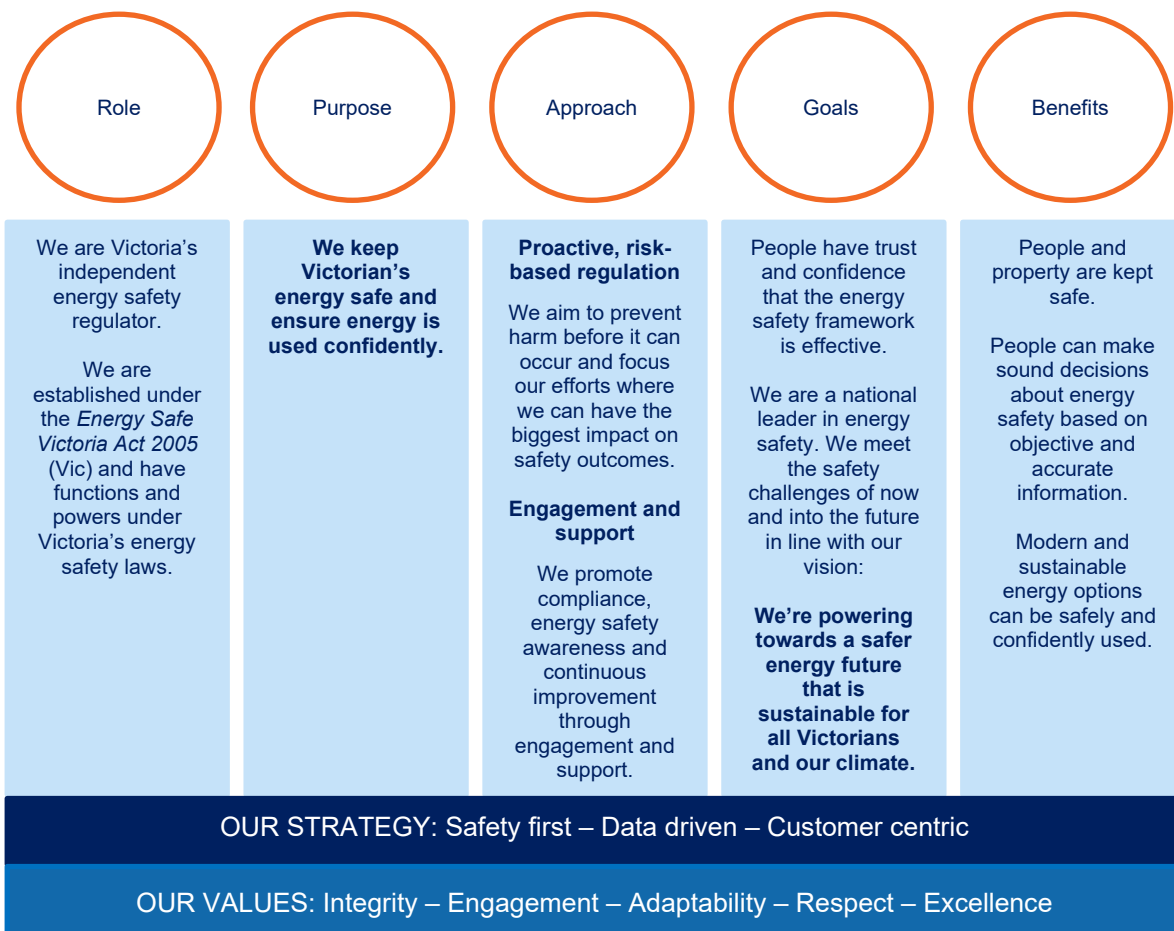
Genuine and purposeful engagement with stakeholders including the Victorian community we serve is a key tenet of our regulatory approach. Effective engagement will ensure that the work we do is in line with community expectations and needs.

Our Stakeholder Engagement Framework sets out our commitment to achieving consistent, high standards of engagement with our stakeholders and using their feedback to inform our decision making. Incorporating our Charter of Consultation and Regulatory Practice, it sets out the five principles we apply to ensure effective engagement and promote better regulatory practice.

Our Framework is informed by the key engagement pillars, processes and standards developed by the International Association for Public Participation (IAP2), and the Victorian Government Public Engagement Framework (2022). It is also underpinned by fostering a culture that seeks and values stakeholder input and a variety of views. We build the skills and capacity of our people through training and support, evaluating our engagement and sharing the learnings to continuously improve.

Our Framework helps ensure we continue to deliver the best safety outcomes for all Victorians.

Figure 1: An overview of who we are, what we do and why



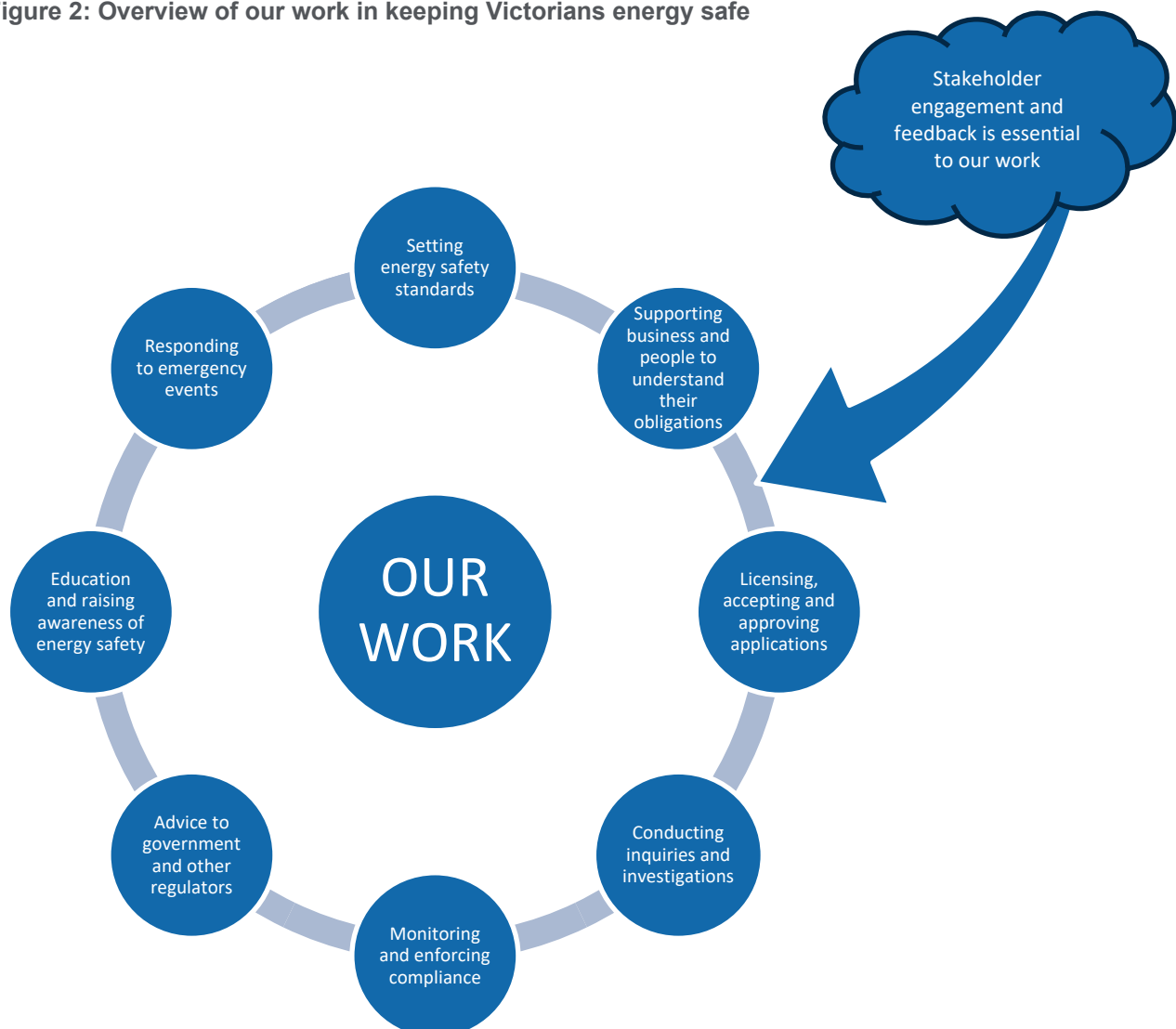
Stakeholder engagement is essential to our work

Stakeholder engagement is essential to execute our statutory mandate, gain insights and deliver sound regulatory decisions that support energy sector sustainability, innovation and viability and protect the Victorian community. It is also an important accountability mechanism.

Effective engagement with our stakeholders has many benefits, including:

- continually improving the way we engage and regulate
- increased support for compliance in line with community expectations
- more innovative solutions that will improve safety
- development of shared solutions for complex safety issues
- understanding of any perverse outcomes through our regulatory approach
- improved access to and understanding of decision-making processes
- ensuring that accessing us is easy both directly and through our systems.

Figure 2: Overview of our work in keeping Victorians energy safe



Our commitment to our stakeholders

We foster a culture that seeks and values stakeholder engagement

We build the skills and capacity of our people through training and support.

We evaluate our engagement and share learnings to continuously improve.

We ensure our engagement is meaningful, accessible, and fair

We acknowledge that each engagement has a different purpose, is undertaken in a different place, with different external influences and with different people and we design our approach accordingly.

We tailor our engagement approach to the objectives of the engagement and the needs of specific stakeholders to ensure a diversity of voices is heard, and there are opportunities for meaningful input.

We apply the five principles outlined in our Charter of Consultation and Regulatory Practice (see next section) to all our stakeholder engagement activities.

Charter of consultation and regulatory practice

Our Charter is a guide to what you can expect from us as we consult to make decisions and achieve regulatory outcomes. It includes the principles that guide our consultation activities and guidelines describing our consultation processes for developing regulatory policies, conducting inquiries and making regulatory decisions.

Our Charter is a requirement under section 25A of the *Energy Safe Victoria Act 2005* (Vic). You may also be interested in our [Compliance and Enforcement Policy](#), which describes our approach to promoting and enforcing compliance with the Victorian energy safety legislative framework.

Our engagement principles

We are guided by five principles, which underpin our commitment to good stakeholder engagement. The principles are inter-related and underpin the design of our consultation activities for our regulatory processes and all our other stakeholder engagement activities.

Principle 1: Purposeful and effective

We are clear about the purpose of our engagement and develop plans with the aim of providing opportunity for meaningful input.

In practice, this looks like:

- We begin every engagement by establishing a clear understanding of what we want to achieve, who we need to engage with and the level of engagement.
- We explain the purpose and objectives of engagement with stakeholders including their level of influence.
- We provide adequate time for stakeholders to engage effectively, having regard to the complexity of the issues and potential impact of the decision.
- We tailor our engagement to ensure it is appropriate for the purpose and will be the most effective way to engage in the time available.

Principle 2: Inclusive

We are flexible and tailor engagement and communication to meet different participant's needs.

In practice this looks like:

- We use plain language to assist stakeholders to understand issues and make informed contributions.
- We ask participants about the best way to engage with them and we consider the time and resources needed by stakeholders to engage effectively.
- We identify and make every reasonable effort to enable participation by all groups and individuals who are affected by, or interested in, our work and decisions.
- We make reasonable adjustments, where necessary, to remove barriers to participation.

Principle 3: Timely and responsive

We involve stakeholders as early as possible throughout the decision-making process and take steps to address issues or concerns quickly.

In practice this looks like:

- We establish channels of communication at the start and explain what, when and how we will consult.
- We give expected timeframes so stakeholders can plan their input, being flexible on timelines if necessary (where possible).
- We engage at each stage to encourage constructive debate, test ideas and solutions, and enable full consideration of issues.
- We address stakeholder concerns in an honest and forthright way and respond quickly to all questions and complaints with courtesy.

Principle 4: Transparent and accountable

We are open and honest about how we make decisions and explain the decisions we have made.

In practice this looks like:

- We explain our decision-making process and how stakeholders' input will inform our decision.
- We only engage where input will inform our decision and we communicate what is negotiable and what is not.
- We disclose all relevant information to stakeholders to support their understanding of the context and issues (subject to privacy and confidentiality requirements).
- We communicate back to participants about how their input was used and explain our decision.
- We will report on our engagement activities, seek feedback and evaluate their effectiveness to support continuous improvement.

Principle 5: Respectful

We value the input, knowledge and perspectives of our stakeholders and take care to listen to alternative views.

In practice this looks like:

- We continue to build our understanding of the industries we regulate and how our decisions have an impact.
- We strive to establish strong relationships built on openness and trust, while maintaining our independence.
- We seek out a range of views and may hold seminars, workshops or establish working groups to facilitate robust discussions.
- We create a safe space to provide input on sensitive issues by ensuring privacy and confidentiality is maintained as appropriate.
- We invest in our people so that they understand expectations and demonstrate respect through their actions.

Our engagement in practice

The examples below show our consultation approach for our most common regulatory processes. These are indicative only as the process and timeframes will depend on the size and complexity of the matter as well as any limits imposed by external or legislative deadlines.

Example 1: New or major review of regulatory policy or guideline

Stage of process	What will happen
Notification of intent	<ul style="list-style-type: none"> • Notify stakeholders who have an interest in or can be affected by our decision through usual channels (e.g., industry forums and direct communications). • Notify public through publication on website and other engagement channels (e.g., media release or social media). • During this stage we will aim to provide an outline of the process and indicative timeframes.
Issues paper to obtain initial input	<ul style="list-style-type: none"> • Release issues paper identifying key issues we have identified in our initial review. We will typically do this when we are yet to form an initial view on key issues, otherwise we may proceed directly to consulting on a draft policy or guideline. • We will invite submissions on those key issues or on any other relevant matter. • During this stage we may hold stakeholder forums and meetings.
Consultation on draft policy or guideline	<ul style="list-style-type: none"> • Release draft policy or guideline setting out our proposed positions, and the reasons for those positions, considering any initial stakeholder feedback and our research and analysis. • We will invite submissions and additional information on why we should reconsider any of our proposed positions. • During this stage we may hold stakeholder forums and meetings.
Publication of final policy or guideline	<ul style="list-style-type: none"> • Release final policy or guideline together with the reasons for the positions taken and an explanation of how stakeholders' feedback has informed those positions.

Example 2: Major regulatory decision

Stage of process	What will happen
Notification of intent	<ul style="list-style-type: none"> • Notify regulated entity of our intent to consult to inform our decision. • Notify other stakeholders who have an interest in or can be affected by our decision through usual channels (e.g., industry forums and direct communications). • During this stage we will aim to provide an outline of the process and indicative timeframes.
Consultation on draft decision	<ul style="list-style-type: none"> • Release draft decision or consultation paper outlining our initial view on key issues. • We will invite submissions on those key issues or on any other relevant matter.
Publication of final decision	<ul style="list-style-type: none"> • Release final decision together with the reasons for the positions taken and an explanation of how stakeholders' feedback has informed those positions.

Example 3: Inquiry

Under the *Energy Safe Victoria Act 2005 (Vic)*, our Charter must include guidelines relating to our conduct of inquiries under Part 3 of that Act. This table provides a high-level outline. More detailed guidelines are at Appendix 2.

Stage of process	What will happen
Notice of inquiry	<ul style="list-style-type: none"> • Publish notice of an inquiry: <ul style="list-style-type: none"> – in the Government Gazette – in a daily newspaper generally circulating in Victoria, and – on our website. • The notice will include a terms of reference and specify: <ul style="list-style-type: none"> – the purpose of the inquiry – the period during which the inquiry is to be held – the period within which, and the form in which, members of the public may make submissions, including details of public hearings – the matters we would like submissions to deal with.
Discussion paper	<ul style="list-style-type: none"> • Release discussion paper providing contextual information and setting out preliminary research and analysis to stimulate debate. • During this stage we may hold briefing sessions.
Hearings and submissions	<ul style="list-style-type: none"> • We will hold at least one public hearing and may hold private hearings. • We may invite submissions on particular matters. • We may use coercive powers to require people to provide information and documents and appear at a hearing to give evidence. • We may also hold public seminars, conduct workshops, or establish working groups and task forces.
Draft report	<ul style="list-style-type: none"> • Release draft report which presents our initial findings and proposed recommendations (if any) based on information and evidence obtained through hearings and submissions and our research and analysis. • If the draft report contains confidential or commercially sensitive information, we may only release part of the report or otherwise limit access. • During this stage we may hold briefing sessions, stakeholder meetings or further hearings, or invite further submissions and additional information.
Final report	<ul style="list-style-type: none"> • Provide final report to the Minister for Energy and Resources who will cause the report to be laid before each House of the Parliament. • Publish final report in full, unless it contains confidential or commercially sensitive information.

Example 4: Corporate Plan

Under the *Energy Safe Victoria Act 2005 (Vic)*, our Charter must include guidelines relating to the development of our Corporate Plan. This table provides a high-level outline. More detailed guidelines are at Appendix 3.

Stage of process	What will happen
Start of the corporate planning process	<ul style="list-style-type: none"> • The corporate planning process starts in September each year and we will take account of stakeholder feedback received through our annual stakeholder survey and throughout the year on aspects of our regulatory activities, where we sought feedback.

Consultation with our statutory committees	<ul style="list-style-type: none">• Between February and March the following year, we consult with our statutory committees regarding the compliance and enforcement priorities, that are an important aspect of our corporate plan. The members of the statutory committees are independent of Energy Safe and represent a broad range of stakeholders.• We will incorporate their feedback in the final version of the corporate plan.
Submission of the corporate plan to the Minister	<ul style="list-style-type: none">• By law, the plan must be submitted for approval to the Minister for Energy and Resources and the Treasurer by 31 May each year.• Energy Safe will seek the minister's approval to publish the Corporate Plan.

Appendix 1: Framework definitions

These definitions support a consistent understanding of terms used in this framework.

Stakeholder

A stakeholder is defined as an individual, organisation or group with an interest in, or concern about something, or who is impacted by a decision or change.

Our stakeholder reach covers areas such as:

- regulatory reform decisions or reviews
- administrative decisions and procedures
- compliance and enforcement functions
- policy changes affecting stakeholders
- educating regulated entities to support compliance
- information sharing about identified safety risks
- public education.

Stakeholder engagement

Stakeholder engagement is the practice of actively bringing stakeholder voices into decisions that affect, impact or interest them.

It is an umbrella term that covers a wide range of concepts including community and stakeholder consultation, education, relationship development and capacity building. Stakeholder engagement also includes the various methods used to engage with stakeholders – from meetings, workshops and forums to more complex collaborative methods such as co-design (see below).

We recognise stakeholder engagement as a fundamental accountability mechanism, since it obliges us to involve stakeholders in identifying, understanding, and responding to issues and concerns, and to report, explain and answer to stakeholders for decisions, actions, and performance.

Community engagement

A planned process with the specific purpose of working with identified groups of people whether they are connected by geographic location, special interest, or affiliation, to address issues affecting their well-being.

Consultation

Consultation as it relates to our *Charter of consultation* is defined as a process where information is exchanged in a structured way to inform a decision-making process. The purpose of consultation is to provide stakeholders with an opportunity to consider and reflect on an issue and provide feedback to us. This process ensures that relevant information is considered as part of our decision-making process.

Appendix 2: Inquiries guidelines

These guidelines set out our general approach to holding an inquiry under Part 3 of the *Energy Safe Victoria Act 2005* (Vic).

These guidelines are not intended to be a definitive legal interpretation of the Energy Safe Victoria Act. We may depart from these guidelines where necessary and appropriate in the circumstances. We may also alter these guidelines from time to time to take into account any legal or other developments.

Overview of inquiries

An inquiry under Part 3 of the Energy Safe Victoria Act is an official and systematic review into matters of public interest that fall within our functions and objectives as specified in the *Electricity Safety Act 1998* (Vic), the *Gas Safety Act 1997* (Vic) and the *Pipelines Act 2005* (Vic).

An inquiry may be initiated by us (own-motion inquiry) or by the minister (minister-referred inquiry).

Own-motion inquiry

After consultation with the Minister for Energy and Resources, we may conduct an inquiry if we consider it necessary or desirable for the purpose of carrying out our functions. This may be because of a matter coming to our attention through a range of channels such as:

- allegations or information provided by a government sector agency
- allegations or information provided directly by individuals
- formal referrals by government sector agencies under other legislation
- publicly available information, such as academic reviews or media reporting
- our day-to-day work.

Minister-referred inquiry

We must conduct an inquiry into any matter the Minister for Energy and Resources refers to us by written notice. The written notice specifies the terms of reference for the inquiry and the minister may:

- specify a period within which a report is to be submitted to the minister
- require us to make a draft report publicly available or available to specified persons or bodies during the inquiry
- require us to consider specified matters
- give us specific directions in respect of the conduct of the inquiry.

We must report to the minister on the results of any inquiry. The minister may amend the terms of reference or extend the period within which a report is to be submitted to the minister.

Inquiry process

There are four key phases of an inquiry: notice of inquiry; conducting the inquiry; drafting the report; and finalisation.

The length of an inquiry will depend on the matter. We will communicate information about the expected duration of an inquiry in phase 1.

Phase 1 – Notice of inquiry

After notifying the Minister for Energy and Resources, we will publish notice of an inquiry:

- in the Government Gazette
- in a daily newspaper generally circulating in Victoria, and
- on our website.

The notice will specify:

- the purpose of the inquiry
- the period during which the inquiry is to be held
- the period within which, and the form in which, members of the public may make submissions, including details of public hearings
- the matters to be dealt with by submissions.

The notice will include the terms of reference and any other matter the minister has specified in the written notice.

We will send a copy of the notice to any person or body that we consider should be notified.

We will publish a further notice if the minister amends the terms of reference or extends the period within which the report is to be submitted to the minister.

Phase 2 – Conducting the inquiry

We are allowed to conduct an inquiry however we consider appropriate. We are not bound by rules of evidence, however, we are subject to:

- the requirements of procedural fairness
- the Human Rights Charter
- the relevant Acts.

We will consult with any person that we consider appropriate. We may hold public seminars, conduct workshops, establish working groups and task forces during an inquiry.

Discussion paper

We may release a discussion paper to provide contextual information about the inquiry and set out preliminary research and analysis. This is intended to support engagement and stimulate debate ahead of holding hearings and inviting submissions on particular issues.

Hearings

We will hold at least one public hearing and may hold private hearings.

We generally request that evidence is provided at a public hearing (either in person or online) to ensure transparency and accountability. However, we may decide to hold all or a part of a hearing in private if it would be in the public interest to do so, or where the evidence is of a confidential or commercially sensitive nature.

Submissions

The notice of inquiry will set out the way members of the public can participate in the inquiry. Members of the public can participate in an inquiry by:

- making a written submission
- attending a public hearing to give evidence or observe the proceedings.

If you wish to be represented by another person, you must make a request as set out in the notice of inquiry. Your representative may be a legal practitioner, but they do not need to be a legal practitioner.

Summons

In conducting an inquiry, we have coercive information gathering powers. This means we can require any person to provide information or documents and appear at a hearing to give evidence. If we decide to use these powers, we will issue a summons.

If you are issued a summons, you will be provided with information about your rights and obligations and the support available to you.

We are committed to meeting our obligations in considering witness welfare. We will take reasonable steps to help reduce any distress caused to a person required to give evidence in an inquiry while still carrying out our functions effectively.

Other matters

An inquiry is not a court proceeding but there are criminal offences that may be committed during an inquiry. For example, knowingly making a false or misleading statement, providing a false or misleading document, threatening, intimidating, or coercing another person.

The Energy Safe Victoria Act provides a protection to all persons who, in good faith, make a statement or give a document or information in connection with an inquiry under Part 3 of the Energy Safe Victoria Act. Those persons are not liable in respect of loss, damage or injury of any kind suffered by another person because of the making of that statement or the giving of that document or information.

Phase 3 – Drafting the report

After all relevant information has been gathered and heard, we will prepare a detailed written report which will include:

- the terms of reference of the inquiry
- an outline of relevant legislation and policies
- an overview of how relevant information was obtained
- a statement of all relevant facts and evidence (copies of evidence may be included or attached to the report)
- the factual findings reached and the basis for them
- recommendations for action (if any)
- any other relevant information.

Examples of recommendations that Energy Safe might make at the end of an inquiry include:

- making recommendations to a specific industry that it:
 - ensures training or professional development is provided for particular roles or groups
 - makes changes to administration and management culture, systems, policies, practices or procedures.
- recommending policy or legislative changes to the government
- monitoring the matter for further developments
- recommending a disciplinary action inquiry or criminal investigation
- taking no further action.

Consultation

We will publicly release a draft report that presents our initial findings and proposed recommendations (if any) and invite submissions. If the draft contains confidential or commercially sensitive information, we may only release part of the report or take alternative approaches to ensure participants and affected parties are given reasonable opportunity to comment.

We may also hold briefing sessions, stakeholder meetings or further hearings, or invite further submissions and additional information from the public before finalising the report.

Confidentiality and privacy

We will ensure compliance with the Energy Safe Victoria Act and the Information Privacy Principles under the *Privacy and Data Protection Act 2014* (Vic) (PDP Act). This includes ensuring that personal information is:

- used appropriately
- only disclosed in accordance with the Energy Safe Victoria Act and PDP Act
- stored securely.

Phase 4 – Finalisation

We must submit a copy of the final report to the Minister for Energy and Resources who will present the report before both houses of the Victorian Parliament, and then ensure a copy is available for public inspection. If during an inquiry, we consider there is another matter on which we should report to the minister about, we may do so in the final report or in a special report.

We will publish the final report will be publicly available in full, unless it contains confidential or commercially sensitive information. As noted above, we will ensure compliance with the Energy Safe Victoria Act and the Information Privacy Principles under the PDP Act.

We will also communicate the outcome of the inquiry to participants and affected parties.

Consideration and implementation of any recommendations or other follow up actions are outside the scope of the inquiry process.

Appendix 3: Corporate plan guidelines

The Victorian Energy Safety Commission is established under the *Energy Safe Victoria Act 2005* and is known as Energy Safe Victoria. Energy Safe is Victoria's independent safety regulator for electricity, gas and pipelines. Our role is to ensure Victorian gas and electricity industries (including the renewable sector) operate safely.

The Energy Safe Victoria Act establishes Energy Safe's corporate plan as the key operational instrument by which we are held to account by the Minister for Energy and Resources (the minister). By law, the plan must be submitted for approval to the minister and the Treasurer by 31 May each year.

The plan includes Energy Safe's statement of corporate intent, which specifies Energy Safe's statutory and strategic objectives and functions for regulating the safety of gas, electricity and pipelines, the Minister's Statement of Expectations, and broader government initiatives and policy. It outlines our purpose, vision and values, our strategic environment, compliance and enforcement priorities and the nature and scope of our regulatory activities (including performance targets and measures).

The corporate plan also provides information on our funding, our financial strategy, statements, and financial positions and budget as well as applicable accounting policies, and other matters agreed between the minister and Energy Safe.

The outcomes of Energy Safe's activities and initiatives identified in the *Corporate Plan*, and financial statements for the previous financial year, are included in the *Annual Report* tabled by the Minister for Energy and Resources in Parliament each year.

Separately, the minister will issue Energy Safe with a Statement of Expectations. This is referenced in the *Corporate Plan*. The statement and Energy Safe's response are available on our website: www.esv.vic.gov.au. Energy Safe acts in accordance with its *Corporate Plan* unless the minister has provided written approval to do otherwise.

Consultation

In drafting our annual corporate plan, one of our key inputs is our independent stakeholder insights survey including regulated entities, key stakeholders and community. We also consult on our annual compliance and enforcement priorities which are an important element of our corporate plan, with our statutory committees such as the Technical Advisory Committee and the Future Trends Advisory Committee. These committees include representatives from the communities and industry.

Our compliance and enforcement priorities are focused on areas of high risk. The compliance and enforcement priorities signal to stakeholders, including customers, areas of specific compliance and enforcement focus by the regulator to ensure energy safety. We include these in our corporate plan and publish these priorities separately on our website.

The corporate planning process starts in September each year, and we consult with our Statutory Committees between March and April the following year, before submitting our corporate plan to the Minister end of May.