

Our Ref: CM-8499

25 September 2018

The Hon. Lily D'Ambrosio MP  
Minister for Energy, Environment and Climate Change  
PO Box 500  
MELBOURNE VIC 3002

Dear Minister

### STATEMENT OF EXPECTATIONS FOR ENERGY SAFE VICTORIA

Thank you for your letter dated 3 September 2018 providing me with your Statement of Expectations (Statement) for the period until 30 June 2020, or until otherwise amended. This Statement, together with my response, will be published on Energy Safe Victoria's (ESV) website consistent with the guidelines developed by the Department of Treasury and Finance.

ESV acknowledges the important work and findings of the *Independent Review of Victoria's Electricity and Gas Network Safety Framework* (Review). We support the recommendations directed to ESV, and have considered them in developing the current corporate plan. We will now consult with the Red Tape Commissioner, the Victorian Public Sector Commission, business and the broader community, as we begin implementing the recommendations.

ESV will continue to pursue best practice in delivering community safety outcomes for all Victorians while administering the objectives and functions of the *Energy Safe Victoria Act 2005*, *Electricity Safety Act 1998*, *Gas Safety Act 1997*, *Pipelines Act 2005*, and subordinate regulations. This will include responding to the rapidly evolving energy sector, as reflected in ESV's participation in relevant safety and technical Standards Committees and work on remaking, amending and administering legislation.

In fulfilling our regulatory responsibilities and informing the exercise of our powers, ESV will undertake a comprehensive monitoring and inspection program on the practices and activities of the Victorian electricity distribution businesses ahead of each bushfire season. ESV will also continue its current work program to enhance the safety of gas heaters in residential settings addressing current and future safety risks. This includes working with the Department of Land, Water and Planning (DELWP) and the Victorian Building Authority (VBA) to support government considerations for potential regulatory and policy reform.

ESV will work with DELWP to deliver the benefits from the Electrical Equipment Safety Scheme supporting the amendments in the *Electricity Safety Amendment (Electrical Equipment Safety Scheme) Bill 2018* that recently received assent. Work is currently underway updating enabling regulations and will include industry consultation.

In July 2017 the Council of Australian Governments Energy Council agreed to support the development of a national register for distributed energy resources (the register), including small scale batteries installed in residential and small business premises. ESV will work with DELWP to support investigation of regulatory and other options to support the information provision requirements of the register, and will also consult with the Australian Energy Market Commission, the Victorian electricity distribution businesses and other relevant stakeholders.

ESV will ensure that the implementation of the Review, the corporate plan and the Statement of Expectations is publicly reported and that you continue to be informed of progress. This will include performance reporting in the annual report, which is tabled in Parliament, in accordance with the *Financial Management Act 1994*, progress reporting in the monthly report to your office, and quarterly reporting that will be made publicly available on our website.

Yours sincerely



Paul Fearon  
**DIRECTOR OF ENERGY SAFETY**