

# Independent Review of Victoria's Electricity and Gas Network Safety Framework

Implementation Update Report 2023

OFFICIAL



Energy,  
Environment  
and Climate Action

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.



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# Safer Electricity and Gas Networks in Victoria

In 2017, the then Minister for Energy, Environment and Climate Change announced an independent Review of Victoria's Electricity Network Safety Framework (the Review), to be chaired by Dr Paul Grimes. The Review was subsequently expanded to include Victoria's gas network safety framework.

The Review made 43 recommendations representing a significant reform agenda. Several major recommendations focused on strengthening the regulatory approach of Energy Safe Victoria (ESV), Victoria's technical and safety regulator for electricity, gas, and pipelines. The Government Response to the Review, released in August 2018, supported 42 of the 43 recommendations (either in full or in principle).

This report provides a final update on the implementation of the 2018 reform agenda. Details on activities can be found in the pages that follow. Recommendation 2 was not supported; therefore, it is not addressed in this update.

In 2022, the Victorian Government announced that it would undertake an Energy Safety Review to ensure safety settings are keeping pace with emerging technologies, to protect worker and community safety. The Energy Safety Review will build on the foundations of the Grimes review and the 2018 reform agenda.

## Implementation Update

Implementation of the reform agenda has significantly progressed.

Of the 42 recommendations supported by government:

- 32 are complete (30 completed since the 2019 update)
- 10 are on track for completion (during 2023 to 2026)

The key achievement since the last update is the passage of legislation through the Victorian Parliament, to reform the governance structure of ESV from a single director-led model to a three-person Commission (recommendation 1). This change, via the *Energy Safety Legislation Amendment (Victorian Energy Safety Commission and Other Matters) Act 2020* (the Act), was a recommendation that the Victorian Government Response to the Review supported in-principle.

The Commission commenced on 1 January 2021 with all powers previously held by the Director of Energy Safety, transferred to the three Commissioners who are supported by a Chief Executive Officer (CEO), and a Technical Advisory Committee.

Collectively, the three commissioners have skills, qualifications, knowledge, and experience, in the fields of regulation, economics, law and community safety (as prescribed in the Act). The move to a three-person Commission strengthens ESV's regulatory approach and decision-making by ensuring consideration of a wider range of perspectives and experience.

The Commission has taken a leadership role in ensuring implementation of the Review's other recommendations within ESV's responsibility; specifically, those relating to audits and inspections, enforcement, experience, and organisational reforms.

The Department of Energy, Environment and Climate Action (DEECA) and ESV have worked closely together to implement the recommendations. This includes work to bolster the capability of ESV's advisory bodies by the establishment of the Workforce Engagement Consultative Committee (recommendation 25), and the Future Trends Advisory Committee (recommendation 32).

Additionally, ESV has strengthened its data and analytics capabilities and capacity, as well as its governance and reporting, and increased inspections of gas and electricity infrastructure (recommendations 6, 7, 8, 14, and 15).

Other key achievements include the delivery of research and development to manage bushfire risk from electrical assets (recommendations 27 and 29), and the Royal Assent of the *Energy Legislation Amendment (Energy Safety) Act 2023*, which expands the range of compliance and enforcement tools provided in legislation, increases civil penalties, and strengthens and aligns general safety duties for various entities (recommendations 12, 13, 35, and 36).

As the government moves into a post-Grimes phase, many of the recommendations have been incorporated into the government's and ESV's business-as-usual workstreams. ESV's Commission model, compliance and enforcement enhancements, and integration with other agencies, will continue to transform and be strengthened as the government's remaining legislative and operational program, such as the Energy Safety Review 2023-24 State budget initiative, and technology resulting from the Powerline Bushfire Safety Program, are delivered, and maintained.

## Strengthening ESV's internal corporate management systems and processes

Ref.	Recommendation	Actions completed and in progress	Status
1	<p><i>Supported-in-principle</i></p> <p>Energy Safe Victoria should be established as a commission with three commissioners. One commissioner should serve as a full-time chair, with reserve powers in the event of emergencies. The remaining two commissioners should be appointed on a part-time basis. The commissioners should each have equal voting rights, with decisions being made by consensus, or by a simple majority if a consensus cannot be achieved. Commissioners should be appointed for five year terms, with the ability for these terms to be renewed once only.</p>	<p>The <i>Energy Safety Legislation Amendment (Victorian Energy Safety Commission and Other Matters) Act 2020</i> (the Act), which establishes ESV as a three-person commission, received Royal Assent in February 2020 and commenced on 1 January 2021.</p> <p>The Commission provides ESV with a greater breadth of skills and experience in the areas of law, regulation, economics, and community safety, as it continues to further develop best practice regulation. The Act outlines procedures for decision making powers given to the Commission.</p> <p>The three Commissioners were appointed in late 2020, with the Commission commencing on 1 January 2021. The terms of each appointment are outlined in the relevant instrument of appointment, consistent with the Act. Commissioners are not eligible to be appointed for more than two terms.</p> <p>The Commission comprises a Chairperson, Deputy Chairperson, and a Commissioner. In accordance with the Government Response to the Review, the Act also provides for the establishment of a Technical Advisory Committee to support the Commission, which provides advice to ESV, and includes those who can represent the interests of the electricity and gas industries, employees in those industries, and members of the Victorian community. The Technical Advisory Committee commenced in March 2022.</p> <p>ESV has also recruited a Chief Executive Officer (CEO), who started in April 2021. The CEO is responsible for day-to-day management and administration of ESV.</p>	<b>Complete</b>
3	<p><i>Supported</i></p> <p>Building on its existing Conflict of Interest Policy, ESV should develop documented protocols and additional guidance to ensure that perceived and or actual potential conflicts of interest are addressed in its regulatory decision making, particularly in cases where regulatory staff have</p>	<p>ESV has updated its Conflict of Interest policy and has completed the process of developing accompanying guidance material for staff to safeguard the integrity of regulatory decision making.</p>	<b>Complete</b>

	previously been employed by network businesses or undertaken previous consulting engagements with network businesses.	All employees have undertaken internal training on the new policy, and over 40 leadership staff have attended training provided by the Victorian Ombudsman.	
4	<p><i>Supported</i></p> <p>The Executive Management Board of ESV should develop an overarching organisational reform roadmap that details key actions that have already been taken to strengthen ESV's corporate governance and management structures and processes, and the actions that have yet to be completed. This roadmap should take account of actions in response to the recommendations of this Review of Victoria's Electricity and Gas Network Safety Framework and in response to the findings of previous reviews commissioned by the Director of Energy Safety. The roadmap should be reported publicly on ESV's website and updated quarterly until all key actions have been completed.</p>	<p>ESV developed its roadmap to track performance against the recommendations and has shared it with DEECA and the Minister for Energy and Resources.</p> <p>ESV has commissioned various reviews and implemented changes to improve formal corporate governance and regulatory decision making. Two key documents that describe ESV's achievement of its objectives and implementation of the Review, and other priorities, are ESV's Corporate Plan and Annual Report.</p> <p>These documents are prepared annually and submitted to the Minister for Energy and Resources and Parliament, respectively, for public release on the ESV website.</p>	<b>Complete</b>
5	<p><i>Supported</i></p> <p>ESV should develop and implement a formal workforce strategy to support the attraction and retention of high performing staff. This strategy should include a specific focus on broadening the diversity of ESV's workforce over time, including gender diversity.</p>	<p>ESV has reviewed employee roles and competencies against a new staff progression framework to ensure there is in place a capable and motivated workforce.</p> <p>ESV completed the development of a future workforce strategy to ensure it can attract and retain high performing staff and maintain appropriately skilled and diverse teams.</p> <p>ESV has developed its People Strategy and consulted and engaged with all employees on its implementation.</p> <p>ESV's Diversity &amp; Inclusion Framework was launched in 2020, and its Gender Equality Action Plan was published and implemented in 2022.</p> <p>ESV has commenced its leadership development program for team leaders and the extended leadership group to continue to facilitate ESV's maturity as a Commission.</p>	<b>Complete</b>

## Strengthening ESV's capability and preparedness to take strong regulatory action

Ref.	Recommendation	Actions completed and in progress	Status
6	<p><i>Supported</i></p> <p>ESV should substantially increase its audit and inspection resources and activity compared to recent years, in accordance with the directions set out in its Corporate Plan 2017-2020. Performance against this plan should be reported publicly, including summary information that clearly explains, at a “plain English” level, what ESV has achieved and what more remains to be done to fully deliver its more intensive audit program. This should be supported by detailed information on the audits conducted each year, including: the number of audits, the sites and distribution businesses covered, the focus of the audits and the results of those audits. This should build on and extend existing safety performance reporting by ESV.</p>	<p>In response to the Review, ESV has substantially enhanced its auditing and inspection resources in both the gas and electricity sectors, to increase the numbers of inspections and audits undertaken on gas pipelines and electrical assets.</p> <p>ESV has doubled its gas pipeline inspectors, thereby doubling inspections completed.</p> <p>ESV has significantly increased its electrical infrastructure inspectors, allowing a tripling in inspections completed on both electrical line clearance and electrical assets.</p> <p>There have been further staff increases to fully deliver the more intensive audit and inspection program. Relevant updates are provided in the Corporate Plan that is published annually.</p>	<b>Complete</b>
		<p>ESV committed to publish enhanced annual safety performance reports detailing its audit program, including the number of audits undertaken, the areas and distribution businesses covered, and the focus and results of those audits.</p> <p>ESV has now publicly released four enhanced safety performance reports for the electricity network (2019-2022):</p> <p><a href="https://www.esv.vic.gov.au/about-us/our-organisation/reports/electrical-safety-performance-reports">https://www.esv.vic.gov.au/about-us/our-organisation/reports/electrical-safety-performance-reports</a></p> <p>ESV has released two enhanced safety performance reports for the gas and pipeline network:</p> <p><a href="https://www.esv.vic.gov.au/about-us/our-organisation/reports/gas-and-pipeline-infrastructure-safety-performance-reports">https://www.esv.vic.gov.au/about-us/our-organisation/reports/gas-and-pipeline-infrastructure-safety-performance-reports</a></p>	<b>Complete</b> – annual safety performance reports

7	<i>Supported</i>	<p>In 2021, ESV completed an internal review of its expanded audit and inspection program. This included a performance evaluation of the program against the previous year's audit plan outlining what ESV achieved, what still needed to be done, and what further increases in resourcing are required.</p> <p>Audit results were tabled with ESV's Executive Management Board and Audit and Risk Committee in November 2020. Ongoing corrective actions are included in the internal audit program of work.</p>	<b>Complete</b>
8	<i>Supported</i>	<p>ESV has developed a forward-looking integrated plan of action to deliver increased data analytical capabilities. The implementation of this framework will form the basis for enhancing ESV's risk-based regulation.</p> <p>This integrated plan of action to strengthen ESV's data management and analytical capabilities, identifies the upgrades required for IT systems to enable increased data capture, extraction, collation and analysis, allowing enhanced public reporting on network safety.</p> <p>(Refer also to the status updates for recommendations 14 and 15)</p>	<b>Complete</b>
9	<i>Supported</i>	<p>ESV has updated and published a Charter of Consultation and Regulatory Practice and a Compliance and Enforcement Policy. This policy continues to be reviewed and revised.</p>	<b>Complete</b>
10	<i>Supported-in-principle</i>	<p>ESV sought tenders for standing arrangements with external specialist legal services to ensure sufficient capability to initiate strong enforcement action.</p> <p>Three contracts with external legal service providers have since been executed.</p> <p>A review of the effectiveness and performance of these contracts is undertaken by ESV's Executive Management Board annually, with the first review completed in February 2021.</p>	<b>Complete</b>

		ESV has created a new Legal, Governance and Regulatory Policy Division with roles added to strengthen their investigation, enforcement, and prosecution function; inclusive of the appointment of General Counsel to the executive management team.	
11	<p><i>Supported</i></p> <p>ESV should continue to strengthen its internal systems and processes to facilitate robust and consistent compliance and enforcement decision making. This should include the continued operation of the recently re-established Compliance and Enforcement Panel, and any necessary improvements in the internal guidance to ESV officers in compliance and enforcement related roles to ensure timely and consistent decision making.</p>	<p>ESV has developed a compliance and enforcement model, manual, and processes, that encourage timely and consistent decision making.</p> <p>An updated compliance and enforcement guidance was released to employees in April 2020, with enforcement training delivered.</p>	<b>Complete</b>
12	<p><i>Supported-in-principle</i></p> <p>The range of compliance and enforcement tools provided in legislation should be expanded, including provision for injunctions and adverse publicity orders, and giving ESV the capacity to enter into enforceable undertakings. In addition, existing regulatory tools available to ESV should be reviewed to:</p> <ul style="list-style-type: none"> <li>• remove unnecessary limitations on what the tools can be used for, including expanding the scope for infringement and improvement notices to be used;</li> <li>• better align them between electricity and gas sectors; and</li> <li>• identify any further improvements that may be required.</li> </ul>	<p>The <i>Energy Legislation Amendment (Energy Safety) Act 2023</i> expands the range of compliance and enforcement tools provided in legislation, including the provision of powers to the ESV to enter enforceable undertakings, to resolve compliance and enforcement matters. In addition, the scope for infringement and improvement notices has also been expanded, with better alignment between the electricity and gas sectors. Other improvements include a requirement that businesses preserve incident sites, to aid more comprehensive investigations, and the extension of the period within which ESV may commence legal proceedings.</p> <p>The Bill achieved Royal Assent on 22 August 2023 and will commence in May 2024. More information can be found here: <a href="https://www.legislation.vic.gov.au/bills/energy-legislation-amendment-energy-safety-bill-2023">https://www.legislation.vic.gov.au/bills/energy-legislation-amendment-energy-safety-bill-2023</a></p>	<b>Complete</b>
13	<p><i>Supported-in-principle</i></p> <p>The penalty levels for offences related to electricity and gas networks should be reviewed with a view to increasing them to levels that apply in other leading safety regimes in Australia. As part of this process, the penalties for similar offences applying to pipelines, gas and electricity networks should be aligned.</p>	<p>The <i>Energy Legislation Amendment (Energy Safety) Act 2023</i> increases civil penalties in the <i>Electricity Safety Act 1998</i>, the <i>Gas Safety Act 1997</i>, and <i>Pipelines Act 200</i> up to a 7.5-fold increase from their previous amounts.</p>	<b>Complete</b>



		The penalties included in the amended Acts align with those in the <i>Occupational Health and Safety Act 2004</i> , and the <i>Sentencing Act 1991</i> .	
14	<p><i>Supported-in-principle</i></p> <p>The development of a mature data analytics capability, including the data collection and management systems to support robust statistical analysis, should form a central component of ESV's integrated action plan to strengthen its analytical capabilities. Clear milestones should be developed to promote accountability.</p>	<p>ESV has developed an integrated plan of action to strengthen its data management and analytical capabilities. This includes identifying the required upgrades to its information technology systems to enable increased data capture, extraction, collation, and analysis, allowing enhanced public reporting on network safety.</p> <p>Four roles have been filled to increase resources and new expertise.</p> <p>A process to identify and centralise data sources to improve data quality and establish an ESV-wide approach commenced in 2021. ESV is implementing a 'data hub' that extracts data from all major ESV systems to centralises data sources.</p> <p>An integrated action plan for data collection and management systems is also being developed as part of ESV's enterprise architecture program (as described in the publicly available Corporate Plan 2020-2023).</p>	<b>Complete</b>
15	<p><i>Supported-in-principle</i></p> <p>ESV should consider and respond to all recommendations of the report Assessment and Analysis of Incident Data Held by Energy Safe Victoria as part of strengthening and expanding its Data Management and Analytics Strategy.</p>	<p>ESV is progressively addressing these recommendations and is improving fire reports, data relating to gas networks, and datasets from fire management agencies.</p> <p>ESV is integrating agreed actions to deliver the recommendations into ESV's corporate and business plans.</p>	<b>Complete</b>

## Better integration across agencies

Ref.	Recommendation	Actions completed and in progress	Status
16	<p><i>Supported</i></p> <p>ESV should review each existing Memorandum of Understanding (MOU) with other regulators, government departments and agencies annually to ensure they remain current and fit-for-purpose.</p>	<p>ESV has reviewed the inter-agency relationship documents it has in place with other regulators and government bodies and has collaborated with each relevant agency to update these documents as required.</p> <p>A comprehensive review of all existing Memorandums of Understanding (MOUs) was completed in July 2020, culminating in the tabling of a MOU register for noting at the September 2020 Executive Management Board meeting.</p>	<b>Complete</b>
17	<p><i>Supported</i></p> <p>ESV and DELWP should jointly develop an MOU to help manage their respective responsibilities. This should replace the MOU with the former Department of Primary Industries and update the arrangements to reflect the current allocation of responsibilities between ESV and the department. The MOU should recognise and facilitate ESV's independence in regulatory decision making, and the department's role as the principal source of policy advice to the Minister for Energy, Environment and Climate Change.</p>	<p>DEECA and ESV developed a new MOU, recognising DEECA's role in developing policy and advising the Minister for Energy and Resources on energy policy matters, and ESV's role as the regulator of electricity and gas safety: <a href="https://www.esv.vic.gov.au/about-us/our-organisation/working-others/memorandums-understanding">https://www.esv.vic.gov.au/about-us/our-organisation/working-others/memorandums-understanding</a></p>	<b>Complete</b>
18	<p><i>Supported-in-principle</i></p> <p>The Essential Services Commission (ESC) should complete its review of the voltage variation standards under Clause 4.2.2 of the Electricity Distribution Code as soon as practicable. The planned broader reviews by the ESC of the Electricity Distribution Code and the Gas Distribution Code should ensure technical standards are clearly defined and consider the role of ESV in promoting and enforcing compliance with these standards.</p>	<p>As part of its review of the Electricity Distribution Code, the ESC conducted a voltage variation standards review, and published its final decision on 3 April 2020: <a href="#">Electricity Distribution Code review –Technical standards final decision</a></p> <p>The ESC's final decision made improvements to the voltage variation standards in the remade Electricity Distribution Code of Practice to ensure they align with Rapid Earth Fault Current Limiter (REFCL) requirements in the <i>Electricity Safety Act 1998</i>, and with the National Electricity Rules and the relevant Australian Standards.</p> <p>The ESC is consulting with ESV on its remaking of the Gas Distribution System Code of Practice (with the new code to commence in May 2024). The purpose of the review is to:</p>	<b>Complete</b>

		<ul style="list-style-type: none"> <li>allow effective compliance monitoring and enforcement</li> <li>align the code with the national regulatory framework and remove duplication and inconsistencies, and</li> <li>support policy developments and the Victorian Government's Gas Substitution Roadmap.</li> </ul> <p>See also recommendations 23 and 24.</p>	
19	<p><i>Supported</i></p> <p>ESV should review, and update where necessary, the Electricity Hazards and Safety Handbook for Emergency Service Personnel in consultation with DELWP, network businesses and the relevant emergency services agencies. This review should consider any areas in which current operational responsibilities require clarification. In addition, ESV should prepare a Gas Hazards and Safety Handbook in consultation with DELWP, the industry and the relevant emergency services agencies.</p>	<p>The Electricity Hazards and Safety Handbook for Emergency Service Personnel was updated and published in September 2018 and can be found on the ESV website at <a href="https://esv.vic.gov.au/pdfs/electricity-hazards-safety-guide/">https://esv.vic.gov.au/pdfs/electricity-hazards-safety-guide/</a></p>	<b>Complete</b>
		<p>The Natural Gas Hazards Safety Guide was published in 2021, following consultation with Emergency Services: <a href="#">ESVNaturalGasHazardsSafetyGuide WEB.pdf</a></p>	<b>Complete</b>
20	<p><i>Supported</i></p> <p>In consultation with the Australian Energy Regulator (AER), ESV should annually evaluate the operation of its MOU with the AER. A summary of each evaluation should be published in ESV's Annual Report.</p>	<p>The new MOU was signed off by both parties in August 2019 and published in October 2019. It can be found on the ESV website at <a href="https://www.esv.vic.gov.au/about-us/our-organisation/working-others/memorandums-understanding">https://www.esv.vic.gov.au/about-us/our-organisation/working-others/memorandums-understanding</a>.</p> <p>ESV's Commission includes one former AER and one former ESC representative, which has enabled further corporate knowledge of the economic regulatory framework to be embedded into ESV.</p>	<b>Complete</b>
21	<p><i>Supported</i></p> <p>In consultation with the AER, ESV should prepare public guidance that sets out clear protocols to facilitate effective engagement between ESV and regulated network businesses as an input into price review processes conducted by the AER.</p>	<p>The completed MOU between ESV and AER includes guidance on the engagement process.</p>	<b>Complete</b>
22	<p><i>Supported</i></p> <p>ESV should, in consultation with regulated network operators and the AER, evaluate its requirements for safety cases to ensure that all safety-</p>	<p>In conjunction with recommendation 42, ESV evaluated its requirements for safety cases with a view to improving the efficacy and transparency of the regime. This resulted in safety programs, including Powercor's enhanced wood</p>	<b>Complete</b>

<p>related elements that have been factored into AER determinations, are identified and supported by clear implementation plans.</p> <p>ESV should report on the progress made by regulated network operators in its annual network safety performance reports. The reporting should be sufficient to ensure that there is a high degree of transparency to the Victorian community about the progress in the implementation of safety programs.</p>	<p>pole program being factored into the AER's 2021 determination.</p> <p>Progress on the implementation of safety programs funded through AER determinations have been publicly reported in the enhanced annual safety performance reports.</p>	
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### The government is considering the case for an east-coast wide formal reliability standard for the gas network

Ref.	Recommendation	Actions completed and in progress	Status
23	<p><i>Supported-in-principle</i></p> <p>The Victorian Government should consider the case for a formal reliability standard for the gas network, in consultation with relevant stakeholders. If the adoption of a formal reliability standard is preferred, the Victorian Government should request the AEMC to determine the best approach to develop a framework and governance arrangements for establishing a reliability standard to support consideration of a robust, economically justified level of investment for reliable and secure gas supply.</p>	<p>A rule change request to the National Gas Rules will be developed to allow for the inclusion of a gas reliability standard or standards. Once submitted, the rule change request will be subject to the Australian Energy Market Commission's (AEMC's) relevant rule change processes. Assuming a rule change is approved by the AEMC, and following development of relevant associated market procedures, implementation of a gas reliability standard/s is currently targeted for the first quarter in 2026. This work will form part of the development of a broader Commonwealth-led Stage 2 Reliability and Supply Adequacy Framework for east coast gas markets. Consultation on potential Stage 2 options was undertaken in mid-2023. The broader work program is expected to include a range of measures including demand side options.</p>	<p><b>On track</b> for completion by 2026</p>
24	<p><i>Supported-in-principle</i></p> <p>The Victorian Government, in consultation with relevant stakeholders, should consider the development of mechanisms to support effective coordination in system planning for the declared transmission system and gas distribution network in an economically efficient manner.</p>	<p>As above for recommendation 23.</p>	<p><b>On track</b> for completion by 2026</p>

## Promoting workforce engagement

Ref.	Recommendation	Actions completed and in progress	Status
25	<p><i>Supported</i></p> <p>ESV should establish a consultative committee under Section 8 of the <i>Energy Safe Victoria Act 2005</i>. This committee should:</p> <ul style="list-style-type: none"> <li>• provide advice to ESV to assist in its consideration of workforce engagement issues;</li> <li>• contribute to the development of broader workforce engagement strategies, including the sharing of best practices; and</li> </ul> <p>be comprised of representatives from network businesses, major contractors, trade unions, WorkSafe Victoria and the workforce.</p>	<p>A new Workforce Engagement Consultative Committee has been established with a broad representation, including representatives from ESV, trade unions, network businesses, major contractors and WorkSafe Victoria.</p>	<b>Complete</b>

## Continuing to deliver effective programs to reduce the risk of electrical assets causing catastrophic bushfires

Ref.	Recommendation	Actions completed and in progress	Status
26	<p><i>Supported</i></p> <p>DELWP should develop a transition plan that outlines a clear pathway for the closure of its program components of the Powerline Bushfire Safety Program and handover arrangements for residual components to ensure the learning gained through the program is maintained into the future.</p>	<p>The Powerline Bushfire Safety Program (PBSP) has moved into a new phase which is informed by the previous 10 years of the program. This phase includes evaluation of all programs and ensuring that learnings from key programs such as the Powerline Replacement Fund, Local Infrastructure Assistance Fund, and the Private Overhead Electric Line Scheme will be maintained and built into the future of the PBSP or subsumed into business-as-usual government workstreams.</p>	<b>On track</b> for completion in 2023-24 including closing out, evaluation and development of future plans.
27	<p><i>Supported</i></p> <p>The mandate of the Powerline Bushfire Safety Committee should be expanded to require it to provide annual implementation reports on the deployment of REFCL technology to satisfy the Electricity Safety (Bushfire Mitigation) Regulations 2013. The implementation reports should include information on the costs and risk reduction benefits in light of actual experience, and an assessment of emerging issues that may require adjustments to program timing or technical requirements. The first</p>	<p>ESV has commissioned independent reports into the costs versus benefits of REFCLs and the functional performance of REFCLs. These have been published on the ESV website: <a href="https://www.esv.vic.gov.au/media-centre/news/reports-released-refcls">https://www.esv.vic.gov.au/media-centre/news/reports-released-refcls</a></p> <p>As the PBSC has now fulfilled its function and ESV has the internal expertise to provide advice to the Commissioners, ESV has disbanded the PBSC.</p>	<b>Complete</b>

	report should be provided through the Director of Energy Safety to the Minister for Energy, Environment and Climate Change by May 2018.		
28	<p><i>Supported</i></p> <p>ESV should continue to work closely with distribution businesses, and with the assistance of the Powerline Bushfire Safety Committee, to provide timely advice to the Minister for Energy, Environment and Climate Change on the need for any exemptions from the performance standards contained in the Electricity Safety (Bushfire Mitigation) Regulations 2013.</p>	ESV will provide ongoing advice to the Minister on future electricity distributors' requests for technical exemptions and work with DEECA to improve the efficiency of the process by which Minister endorsement and / or approval is achieved.	<b>Complete</b>

### Delivering enhanced programs to address bushfire safety through further research and development into new technologies to manage bushfire risk from electrical assets

Ref.	Recommendation	Actions completed and in progress	Status
29	<p><i>Supported-in-principle</i></p> <p>The Victorian Government should provide ongoing funding for further research and development into new technology to manage the bushfire risk from electric lines. Any funding should be contingent on being at least matched by contributions from distribution companies. The ongoing program should be managed jointly with distribution companies and involve input from university researchers. It should be subject to evaluation at least every four years, with the continued provision of public funding to be contingent on satisfactory research performance.</p>	Following this recommendation, PBSP ran an additional research and development program (R&D-II) to deliver new technology projects to manage bushfire risk from electrical assets. R&D-II ran from June 2020 to June 2022 and had \$2 million available in funding for new technology and approaches to mitigating powerline ignition risk. Although the recommendation sought for R&D funding to be ongoing, the grants run by PBSP have had a lasting impact on reducing risk and engaging distribution businesses to invest in new technology on their networks. Distribution businesses are continuing to mature in their approach to bushfire risk reduction.	<b>Complete</b>

## Enhancing the safety of underground assets

Ref.	Recommendation	Actions completed and in progress	Status
30	<p><i>Supported-in-principle</i></p> <p>The Victorian Government should note the Review's support for the Major Hazard Facilities Advisory Committee's recommendations to formalise the membership and operation of the Land Development Around Pipelines Working Group and to task the working group with providing advice to government to improve planning around high pressure gas pipelines.</p>	DEECA has consulted with the NSW Department of Planning and Environment, ESV, WorkSafe Victoria, Before You Dig Australia, and industry, and has determined that the risk profile is acceptable.	<b>Complete</b>
31	<p><i>Supported-in-principle</i></p> <p>Subject to the completion of a positive regulation impact assessment, Dial Before You Dig should be made mandatory in Victoria following the approach that has been adopted in New South Wales.</p>	DEECA has consulted with the NSW Department of Planning and Environment, ESV, WorkSafe Victoria and Before You Dig Australia, and determined that the Occupational Health and Safety regulatory framework already mandates identification of underground services prior to excavation or ground penetration work. Asset plans from the Before You Dig service and other sources (such as asset owners) form part of an obligation to complete a safe work method statement, ensuring employees are supplied with a workplace that is as safe as reasonably practicable.	<b>Complete</b>

## Ensuring the regulatory safety framework manages new sources of safety risk as our energy system transitions

Ref.	Recommendation	Actions completed and in progress	Status
32	<p><i>Supported</i></p> <p>ESV should establish an expert advisory committee under Section 8 of the <i>Energy Safe Victoria Act 2005</i> to advise on emerging trends in electricity and gas networks and possible changes to regulatory settings that might be considered necessary to manage new sources of safety risk.</p>	<p>The Future Trends Advisory Committee has been established to identify and assess trends in: new and disruptive electricity and gas technologies; products; and, other broader trends.</p> <p><a href="https://www.esv.vic.gov.au/about-us/our-organisation/people-and-values/governance-and-commission">https://www.esv.vic.gov.au/about-us/our-organisation/people-and-values/governance-and-commission</a></p>	<b>Complete</b>

33	<p><i>Supported</i></p> <p>ESV should develop a roadmap of emerging issues and proposed actions to ensure the safety risks arising from new technologies and network structures are identified early and managed effectively. Progress against the roadmap should be reported annually in ESV's Annual Report and network safety performance reports.</p>	<p>ESV engaged an international consultant to develop a roadmap of potential and emerging safety issues and proposed actions in consultation with Australian and international experts.</p> <p>ESV published the Future Energy Strategy in 2020 <a href="https://www.esv.vic.gov.au/sites/default/files/2022-12/ESV_Future_Energy_Strategic_Plan_2020.pdf">https://www.esv.vic.gov.au/sites/default/files/2022-12/ESV_Future_Energy_Strategic_Plan_2020.pdf</a></p> <p>ESV has reported on the roadmap's progress in 2022 <a href="https://www.esv.vic.gov.au/sites/default/files/2022-12/Adaptive-Strategic-Roadmap-2022.pdf">https://www.esv.vic.gov.au/sites/default/files/2022-12/Adaptive-Strategic-Roadmap-2022.pdf</a></p>	<b>Complete</b>
34	<p><i>Supported-in-principle</i></p> <p>All energy safety legislation should be consolidated in a single new energy safety Act, replacing the <i>Gas Safety Act 1997</i>, <i>Electricity Safety Act 1998</i>, those elements of the <i>Pipelines Act 2005</i> that relate to safety, and the <i>Energy Safe Victoria Act 2005</i>.</p>	<p>On 21 October 2022, the Victorian Labor Party announced that the government would undertake a review into regulatory and licencing requirements for renewable energy systems. This review would make sure the legislative framework is keeping pace with emerging technologies to protect worker and community safety.</p> <p>In May 2023, the State Budget allocated \$7.031 million to the Energy Safety Review project, spread evenly across four financial years (2023-4 to 2026-7) under the banner 'A safe and just community transition to renewable energy'.</p> <p>DEECA is establishing an Energy Safety Review, which expects to include a Bill in 2024, to build on the Energy Legislation Amendment (Energy Safety) Act 2023 to ensure that the energy legislative framework is equipped for the energy transition.</p>	<b>On track</b> – for completion by 2026
35	<p><i>Supported-in-principle</i></p> <p>The general safety duties within the new consolidated energy safety legislation should be based around a consistent application of the principle that risks should be reduced so far as is "reasonably practicable" aligning with the definition adopted in the <i>Occupational Health and Safety Act 2004</i>.</p>	<p><i>The Energy Legislation Amendment (Energy Safety) Act 2023</i> aligns the general duties for owners and operators of complex installations and railways to be consistent with the duties of major electricity companies and gas companies. The change means that owners and operators of complex installations, railways, major electricity companies, and gas companies, have a consistent duty to reduce risks as far as practicable.</p>	<b>Complete</b>
36	<p><i>Supported-in-principle</i></p> <p>The general safety duties within the new consolidated energy safety legislation should be presented clearly, with the aim that they:</p>	<p><i>The Energy Legislation Amendment (Energy Safety) Act 2023</i> makes critical amendments to the <i>Electricity Safety Act 1998</i>, <i>Gas Safety Act 1997</i>, and <i>Pipelines Act 2005</i> to</p>	<b>Complete</b>



	<ul style="list-style-type: none"> <li>• are aligned, but retain necessary sector-specific differences;</li> <li>• cover a range of circumstances in energy network safety;</li> <li>• do not easily become outdated and can cover emerging risks and industry changes;</li> <li>• are clearly expressed as to the obligations imposed and classes of duty holders;</li> <li>• are enforceable in practice;</li> <li>• function effectively with safety case provisions under the Act, including enabling the regulator to take compliance and enforcement action in response to unacceptable risk; and</li> <li>• remain outcomes-based allowing flexibility in compliance arrangements.</li> </ul>	<p>address the most urgent significant gaps and weaknesses in the energy safety legislation.</p> <p>The key change is that certain owners and operators of high-risk complex electrical installations, such as utility-scale renewable generators, will be able to be declared to have certain duties and obligations, commensurate with a major electricity company.</p> <p>The other key changes include giving ESV and the Minister for Energy and Resources the power to enter enforceable undertakings with regulated entities; along with increasing maximum penalties for offences relating to maintaining safe networks.</p> <p>The Bill will also strengthen ESV's ability to enforce energy businesses' compliance with their safety plans, and when an incident occurs.</p>	
37	<p><i>Supported-in-principle</i></p> <p>The consolidated energy safety legislation should provide consistent foundations for the safety case regime in the regulation of electricity and gas network safety. The legislation should make it clear that safety case-based regulation must be supported by detailed systems and prescribed standards applied within network businesses. It should also be clear from ESV's objectives, functions, and business' safety duties that long-term asset integrity and sustainability are encompassed within the safety case regime and ESV's regulatory remit.</p>	As above for recommendation 34.	<b>On track</b> – for completion by 2026
38	<p><i>Supported-in-principle</i></p> <p>In developing new consolidated energy safety legislation, consideration should be given to improving the structure and operation of regulations under the Act, including, for example, integrating the Code of Practice for Electric Line Clearance into the Electricity Safety (Electric Line Clearance) Regulations 2015 and setting the expiry period to ten years rather than five.</p>	As above for recommendation 34.	<b>On track</b> – for completion by 2026
39	<p><i>Supported-in-principle</i></p> <p>The full responsibility for administering the civil penalty provisions applying to electricity network businesses should be assigned to ESV when it is established as a commission under the new consolidated safety legislation. Any decision to exempt a business from the application</p>	As above for recommendation 34.	<b>On track</b> – for completion by 2026

	of the requirements subject to civil penalties should remain with the responsible Minister.		
40	<p><i>Supported-in-principle</i></p> <p>The safety case provisions in the consolidated energy safety legislation should facilitate effective regulation by ESV including:</p> <ul style="list-style-type: none"> <li>• providing broad discretion for ESV to request changes;</li> <li>• providing the capacity for ESV to accept changes or request revisions without it requiring a full revision resetting the five-year revision period;</li> <li>• providing the capacity for ESV to require a full revision of a safety case resetting the five-year revision period, under circumstances where there has been a material change warranting a full revision; and</li> <li>• incorporating effective provisions to ensure network businesses have adequate safety cases in place.</li> </ul>	As above for recommendation 34.	<b>On track</b> – for completion by 2026
41	<p><i>Supported-in-principle</i></p> <p>As part of the consolidated safety legislation, ESV should be given sufficiently wide powers across sectors for requesting information to assist ESV in performing its functions. This should be informed by the powers available to the AER under the National Electricity Law.</p>	As above for recommendation 34.	<b>On track</b> – for completion by 2026
42	<p><i>Supported</i></p> <p>ESV should, in consultation with network businesses, further develop internal and external guidance on its expectations for safety cases, and its approach to evaluating safety cases for acceptance. This should include its approach and expectations for:</p> <ul style="list-style-type: none"> <li>• safety case components being clear, measurable and targeted to safety obligations;</li> <li>• how a precaution-based approach is applied to managing safety risk; and safety case submission and revision processes.</li> </ul>	<p>ESV has recognised improvements are required to the safety case regime and have completed significant work on providing better guidance to the regulated businesses on its expectations for a safety cases, and its approach for evaluating safety cases prior to acceptance.</p> <p>Safety case policy and guidelines for gas companies were also included in the documentation developed as part of the process to remake the Gas Safety (Safety Case) Regulations in 2018 and can be found at:</p> <p><a href="https://www.esv.vic.gov.au/sites/default/files/2022-12/Gas-Safety-Case-Preparation-and-Submission-for-facilities-and-pipelines.pdf">https://www.esv.vic.gov.au/sites/default/files/2022-12/Gas-Safety-Case-Preparation-and-Submission-for-facilities-and-pipelines.pdf</a></p> <p>Policy and guidelines were developed as part of the remake of the Electricity Safety (Management) Regulations 2019. The guidelines were also revised and expanded to provide</p>	<b>Complete</b>

		<p>guidance on ESV’s evaluation expectations, and processes for electricity safety management schemes.</p> <p>External guidance (reporting guideline and template) was published online in December 2019. This can be found on ESV’s website at <a href="https://esv.vic.gov.au/about-esv/energy_regulatory_framework/policies-and-guidelines/">https://esv.vic.gov.au/about-esv/energy_regulatory_framework/policies-and-guidelines/</a></p> <p>Processes and tools for ESV to evaluate electricity safety management schemes were reviewed in late 2019.</p>	
43	<p><i>Supported-in-principle</i></p> <p>The consolidated safety legislation should provide for the review of ESV by an independent expert panel appointed by the responsible Minister every five years.</p>	<p>As above (recommendations 34, 37, 38, 39, 40, 41), as part of the 2023 State Budget ‘A safe and just community transition to renewable energy’ funding initiative, DEECA is establishing an Energy Safety Review. The Review is intended to include an Energy Safety Bill in 2024, building on the previous work completed under the <i>Energy Legislation Amendment (Energy Safety) Act 2023</i>, and an energy Safety Roadmap, both activities to develop outcomes to ensure that the energy legislative framework is equipped to respond to the challenges and opportunities of the energy transition.</p>	<p><b>On track</b> – for completion by 2026</p>

### Implementation of an electrical lineworker licensing scheme

Although not a Grimes Review recommendation, the Government Response to the Grimes Review also recommended that options be considered for the introduction of a licensing scheme for electrical lineworkers to enhance ESV’s oversight of the industry.

The Victorian Government made an election commitment in November 2018 to license electrical lineworkers by 1 January 2021.

The *Energy Safety Legislation Amendment (Victorian Energy Safety Commission and Other Matters) Act 2020* gave ESV the power to license lineworkers, while the remade Electricity Safety (Registration and Licensing) Regulations 2020, provided the regulatory framework to issue licences.

Stakeholder consultation occurred throughout the process, ensuring that the licensing scheme was designed in partnership with lineworkers and network businesses.

The scheme commenced on 1 January 2021 with the licensing of over 2000 existing lineworkers. Licences will improve safety outcomes and maintain professional standards through mandating the minimum qualifications and experience required to work safely on the transmission and distribution networks. More information can be found on the ESV website – [www.esv.vic.gov.au](http://www.esv.vic.gov.au).