

## Charter of consultation and regulatory practice

Our charter of consultation and regulatory practice is a guide to what the sectors we work in, and the community affected by our decisions, can expect from us as we do our work. The principles outlined in the charter apply generally to our work as we undertake our legislative functions, make decisions and conduct inquiries required under the *Essential Services Commission Act 2001* and other sector specific legislation.

Our primary legislative objective is to promote efficiency and competition in essential services to achieve the best outcomes for Victorian consumers in the long-term.

Our work spans a number of essential services including retail energy, water, transport (Port of Melbourne, taxi fare prices, freight rail access), local government – administering the Fair Go Rates system and the Victorian Energy Efficiency Target scheme.

Our work varies across sectors but generally involves:

- ✓ **setting and monitoring prices** for essential services
- ✓ **setting and reporting** on service standards and market conduct
- ✓ **monitoring and enforcing consumer protection** for essential services
- ✓ ensuring **compliance** and **enforcement** of regulatory obligations in the delivery of essential services
- ✓ **granting** and withdrawing **licences** and **approving applications** for variations or extensions
- ✓ **advising** and **making recommendations** to government
- ✓ **conducting inquiries** relevant to essential services
- ✓ conducting **public education** programs.

We use **engagement** as a broad term to describe a planned process which has a specific purpose of working across organisations, stakeholders and communities to shape our decisions or actions. We use **consultation** to refer to a process of obtaining feedback on analysis, alternatives or decisions.

# Our approach to regulatory practice

## We believe engagement is fundamental to good regulatory practice

We believe building respectful, professional and productive relationships that generate trust and engender goodwill is critical to effective regulatory practice. This means promoting ongoing engagement and open communication with those affected by our decisions.

We believe good stakeholder engagement will help us identify emerging issues or trends that affect the sectors we work with. These beliefs guide how we approach our work to achieve the objectives under our Act and relevant industry-specific legislation.



**We will ensure our regulatory regimes are designed to promote outcomes that are in the long-term interests of consumers.**

Our regimes will help ensure regulated sectors focus on delivering services in a way that meets the long-term needs of consumers.



**We will create effective and efficient incentives for businesses to perform.**

We will use regulation to promote regulated sectors to deliver value to their customers. We will also monitor markets to gauge the performance of service providers and the effectiveness of competition in markets.



**We will deliver high quality advice to government on issues related to economic regulation.**

Our reports and decisions will be accessible and understandable. This will give the government a clear, evidence-based foundation for their decision making processes.



**We will be an organisation that promotes thought leadership and delivers great performance.**

We will be innovative, original and willing to challenge conventional ways of working in the pursuit of more efficient and effective outcomes. We will also invest in people and systems that support great performance.



**We will continue to improve the way we engage with key stakeholders.**

We understand our work can have an impact on the cost of doing business. Our communication will focus on helping the government, businesses and the public understand our roles, responsibilities and objectives as a regulator. We will ensure our internal communication supports high levels of staff engagement and performance.



**We will encourage better engagement practices.**

Where appropriate, we will promote better engagement practices in the sectors we regulate by demonstrating the value of good engagement.

# Our approach to engagement and consultation

The following are our **key principles** for engagement and consultation against which we will measure ourselves on a project-by-project basis, within the sectors we operate and across the organisation. We will report on our performance against these principles periodically on our website and other key channels including sector newsletters, forums and social media.



## We are transparent and accountable

We are clear about **what, when** and **how** we consult. Our decision-making is **visible, accessible** and, where appropriate, **reported** on our website and through sector specific and other channels (media, professional networks etc.).



## Our engagement is considered, planned and genuine.

Our projects, reviews and inquiries provide adequate **time for meaningful engagement** with people affected by our decisions. There is **clear purpose** to our engagement and it is considered at relevant stages of a project including establishing the best methods of engagement. Our **consultation is tailored** to the complexity and potential impact of the issue being considered.



## Our engagement is inclusive.

We seek perspectives that represent the interests and views of **diverse communities**. Our decisions are well-informed by seeking input from those affected by our actions, including stakeholder groups and individuals with an interest in our work.



## Our information is clear, accessible and simple to understand

We present information in **plain language** that sets out clearly what we are doing and how people can get involved. We aim to be **transparent** in the way we make decisions.



## We will listen and learn to improve our consultation and engagement

We will **involve stakeholders** in developing our approaches to engagement and consultation. We will **evaluate and monitor** our engagement and consultation processes and **report on our performance** through key channels like the annual report, on the website and sector newsletters.

## Our guidelines for engagement and consultation

This section is a summary of our guidelines for public consultation and engagement. These guidelines will ensure our processes are consistent with our key principles for engagement and consultation subject to legislative requirements.

### Engagement strategies will be tailored to fit the task at hand

Our processes for public consultation will be tailored according to the potential impact of the decision to be made, the complexity of the problem to be solved and the time available. Our aim will be to ensure we are involving stakeholders **at the right time** and at the right level **to facilitate a decision** which achieves the best outcomes for Victorian consumers in the long-term. We will publish consultation timelines and opportunities to comment on our website and through social media and through sector specific channels including newsletters and stakeholder forums.

### We will report on our work program

We will publish a summary of our work program on our website annually, outlining key projects for each of the sectors we operate in. This will include major price and regulatory reviews, inquiries and special projects segmented by industry and with indicative time frames. We will report on our performance against our objectives in the annual report and sector specific channels like newsletters and forums.

### We will notify as widely as possible about our projects

We will use a variety of channels to communicate with interested stakeholders about our inquiries, decisions and determinations. This may include direct communication with the sectors we regulate, government and other regulatory bodies, targeted and tailored communication to peak groups, government departments and statutory authorities, and general communication to the wider community on our website, via traditional media and social media.

### We may hold public hearings to facilitate broad discussion

We may hold public hearings where required or where we believe there are opportunities to promote discussion of the issues in relation to a particular decision or inquiry. The aim of such public hearings is to ensure a full airing of a variety of community views to facilitate a well-informed decision by the commission. Public hearings may be recorded (audio and video) to ensure an accurate account of input and streamed online (on the internet) to include those who cannot physically attend. Attendees contact details are recorded to allow us to keep you informed about the outcome of the project being discussed.

## We will publish information about our decisions and processes

We publish information about our decisions and the exercise of our functions as part of our commitment to transparency and accountability. We will **publish key documents** including issues and consultation papers, draft and final decisions and consultants' reports (where appropriate) on our website and provide printed copies on request. We publish submissions unless requested otherwise. We will not publish confidential or commercially sensitive information without first seeking consent (unless required to do so by law).

## We will review the charter to promote effective engagement

We will review the charter every three years or earlier where changes to our legislative responsibilities or circumstances require or **where there is an opportunity to update and improve** what we do. We will **assess the charter's effectiveness** against our key principles and how it contributes to our legislative objective to promote the long-term interests of Victorian consumers of essential services or other matters referred to the commission. We will give stakeholders an opportunity to comment on any proposed amendments to the charter in accordance with this charter.

## We will invest in people and systems to promote best practice

As an organisation that seeks to promote thought leadership and deliver great performance, we will **invest in people** and **systems** that **support great engagement and consultation**. The charter will be supported by:

- ✓ staff guidelines and a toolkit to promote consistency and provide clear direction for staff on expectations and standards
- ✓ a capability development program including a community of practice to share lessons learned, training and professional development opportunities
- ✓ standard tools to evaluate and report on consultation
- ✓ accountability and reporting against performance goals at a project, sector and organisation level.

## There is no one-size fits all formula

The aim of this charter is to **promote excellent stakeholder engagement** that takes into account the competing demands for our stakeholder's time and attention. Stakeholders will be notified of the processes for public consultation on any particular project or matter in accordance with this charter

For major projects like a price review or an broad reaching inquiry which may have a significant impact on consumers, regulated businesses or particular sectors we are likely, where possible, to have several stages of consultation. Routine decisions with less material impact would require a less extensive process.

Example engagement plan for determinations or inquiries and for changes to existing guidelines are provided over the page. Project specific engagement plans will be developed to align with the principles of this charter.

| EXAMPLE 1  | A major price review or inquiry  | Indicative time frame   |
|--|--|---|
| <p><b>Notification of intent</b></p>                   | <ul style="list-style-type: none"> <li>• Notify sector through usual channels (sector newsletters and forums) and formally notify regulated businesses with indicative time frames</li> <li>• Notify public via annual work plan on website and other communication channels</li> </ul>  | <p><b>As early as possible</b> following adoption of work plan or receipt of terms of reference from government/minister</p>  |
| <p><b>Engage on process and invite early input</b></p> | <ul style="list-style-type: none"> <li>• Engage with the sector and other key stakeholders to contribute to design of engagement               <ul style="list-style-type: none"> <li>– request input from stakeholders to identify relevant issues</li> <li>– input could be via online engagement, quick surveys on social media</li> <li>– engage experts to provide specialist advice and potentially engage directly with regulated businesses and key stakeholder groups or peak bodies</li> </ul> </li> </ul> | <p><b>Six to 12 months</b> ahead of formal decision-making period</p>   |
| <p><b>Release issues paper for comment</b></p>         | <ul style="list-style-type: none"> <li>• Release an issues or consultation paper:               <ul style="list-style-type: none"> <li>– call for submissions via targeted communication channels to key groups and more widely using social media</li> <li>– hold stakeholder and, where appropriate, public meetings and forums</li> <li>– consider online engagement promoted via social media</li> </ul> </li> </ul>   | <p><b>Four to six weeks</b></p> <ul style="list-style-type: none"> <li>– avoiding (where possible) critical periods of high activity (end of financial year) and Christmas-New Year shut down (mid-December to late January)</li> </ul> |
| <p><b>Release draft decision for comment</b></p>       | <ul style="list-style-type: none"> <li>• Release a draft decision for consultation that articulates a response to stakeholder input               <ul style="list-style-type: none"> <li>– call for further submissions</li> <li>– hold stakeholder and or public meetings as required</li> <li>– test proposals using appropriate, targeted communication channels</li> </ul> </li> </ul>   | <p><b>Four to six weeks</b></p>   |

|                                       |  |  |
|---------------------------------------|--|--|
| <b>Release final decision</b>         | <ul style="list-style-type: none"> <li>• Release a final decision that responds to stakeholder input <ul style="list-style-type: none"> <li>– Publicise on website and notify all who contributed to the process via submissions</li> <li>– Formally notify affected sectors and any peak bodies or agencies involved</li> </ul> </li> </ul> | <b>Within two weeks</b> of final decision  |
| <b>Advertise final decision</b>       | <ul style="list-style-type: none"> <li>• Advertise determination in relevant publications and the Victorian Government Gazette</li> </ul>  | <b>Within two weeks</b> of final decision  |
| <b>Evaluate and report on process</b> | <ul style="list-style-type: none"> <li>• Conduct a formal evaluation of the process including seeking feedback from stakeholders and report on the outcome of the evaluation</li> </ul>  | <b>Within four weeks</b> of final decision |

| <b>EXAMPLE 2</b>                                    | <b>Engagement on existing guidance</b>  | <b>Indicative time frame</b>                                   |
|---|---|--|
| <b>Notification of intent</b>                       | <ul style="list-style-type: none"> <li>• Engage with the sector to discuss opportunities for improvement or need for clarification <ul style="list-style-type: none"> <li>– request input from stakeholders to identify relevant issues</li> <li>– promote timelines and opportunities for input</li> </ul> </li> </ul> | <b>Up to three months</b> ahead of release of updated guidance |
| <b>Engage on key issues - test initial thoughts</b> | <ul style="list-style-type: none"> <li>• Discuss project as part of usual engagement e.g. regular forums and catch ups</li> </ul>   | <b>Part of usual engagement program</b>                        |
| <b>Distribute draft for input</b>                   | <ul style="list-style-type: none"> <li>• Distribute draft updated guidance and invite submissions</li> <li>• Hold stakeholder forums to test the draft</li> </ul>   | <b>Up to four weeks</b>  |
| <b>Release updated guidance</b>                     | <ul style="list-style-type: none"> <li>• Distribute updated guidance to relevant audiences</li> <li>• Hold stakeholder forums to test the draft</li> </ul>  | <b>Up to four weeks</b>  |
| <b>Evaluate and report on process</b>               | <ul style="list-style-type: none"> <li>• Survey stakeholders and evaluate the process, report on achievement of set objectives</li> </ul>   | <b>Within four weeks</b> of final decision                     |

\*Note these are examples only, time frames and elements of individual projects will vary according to the circumstances including any particular legislative requirements.



## Finding out about upcoming consultations

Our website – [www.esc.vic.gov.au](http://www.esc.vic.gov.au) - is the main source of information about our projects and any upcoming or ongoing consultations.

You can **register your interest** in being kept informed about any of our sectors or specific projects via our website – go to the relevant sector or project page to register your interest.

**Follow us** on LinkedIn and Twitter to see the latest notification about upcoming consultations.

You can also:

**Call:** 61 3 9032 1300 or 1300 664 969 (during business hours 9am to 5pm, Mon to Fri)

**Email:** [reception@esc.vic.gov.au](mailto:reception@esc.vic.gov.au)

Or **write:**

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