

Tuesday, 30 January 2018

Strategic Communication Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne
Vic 3000

By email: communication@esc.vic.gov.au

Dear Strategic Communications,

Submission on draft charter of consultation and regulatory practice

Australian Gas Infrastructure Group (AGIG) welcomes the opportunity to make a submission to the Essential Services Commission (the Commission) regarding its *Draft charter of consultation and regulatory practice*.

AGIG strongly supports effective stakeholder engagement to promote improved customer outcomes and underpin regulatory practice. As you may be aware, this was demonstrated as part of our Victorian/Albury Access Arrangement review process, as outlined by AER Chair Paula Conboy:

"Let me return to the AGN [AGIG] exemplar of collaborative stakeholder engagement for its Victorian gas access arrangement. AGN fulfilled its objective of submitting a proposal that delivered for the consumer, was underpinned by effective engagement and on the whole has been accepted by the AER."

The Commission has asked for comment on the new draft charter, in particular

- Our principles-based approach – is this the right direction for the commission?
- Our principles – have we got them right?
- Our approach to regulatory practice – does this line up with what you would expect from the commission?
- Any other comments about our approach to engagement and consultation?

In relation to a principles-based approach, we are supportive of an approach that embeds a stakeholder focused culture which builds positive stakeholder relationships, as opposed to a prescriptive and detailed charter. In our experience, stakeholder engagement is effective when it is tailored and fit for purpose, as proposed in the draft charter.

The principles proposed in the draft charter align with our expectations, with strong support for engagement which is genuine and inclusive.

¹ AER, "2017 ENA Regulation Seminar speech: Working together to restore confidence in energy regulation", <https://www.aer.gov.au/news/2017-ena-regulation-seminar-speech-working-together-to-restore-confidence-in-energy-regulation>, July 2017.

In practical terms we would value increased communication and accessibility regarding consultation and engagement activities such as:-

- More information on how stakeholders can be involved in engagement and consultation activities on the Commission's website;
- Publication of the charter and reporting of the activities on the Commission's website;
- Co-ordination with other regulators and government agencies to maximise stakeholder resources to participate in multiple concurrent engagement processes;
- Capability development of stakeholders to build their knowledge base of the regulatory regime and energy industry more broadly;
- Clearly set out information on how stakeholder input has influenced the Commission's decisions; and
- Sign up/register capability online for notifications of consultation and engagement timeframes and regular update notification of Commission activities.

In terms of regulatory practice, we support continuous improvement of engagement practices as proposed in the draft charter. Stakeholder engagement is an evolving area and effective engagement can take many forms. In our recent stakeholder engagement activities we have seen the business value in leveraging stakeholder engagement to create better outcomes for customers.

Thank you for the opportunity to review and provide comment on the draft charter. We believe this type of review process should be periodic to ensure regulatory best practice continues to deliver in the long term interests of consumers.

We would be happy to meet to discuss any of the views and issues raised in our submission. Please feel free to contact me on 8418 1129 if you would like to arrange a time.

Yours sincerely,



Craig de Laine
General Manager Strategy and Regulation