

Annual Report

2023–24



This report has been endorsed by the Victorian Energy Safety Commission.

Authorised and published by the Victorian Government, Melbourne October 2024

© Copyright State of Victoria 2024

You are free to reuse 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 Victorian Government logos.

ISSN 2653-5092 (print)

ISSN 2653-5106 (online)

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

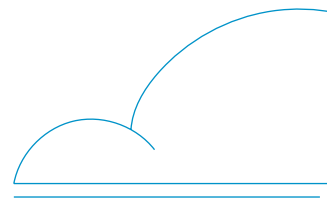


A stylized illustration of a wind farm in a landscape. The scene is rendered in various shades of blue. In the foreground, a large wind turbine stands prominently, its three blades extending across the frame. Behind it, several other turbines are visible, some partially obscured. The landscape consists of rolling hills, with some areas filled with diagonal hatching. In the upper right corner, a sun is depicted with rays extending across the sky. The overall style is clean and modern, with a focus on geometric shapes and patterns.

**We're powering
towards a safer
energy future that
is sustainable
for all Victorians
and our climate.**

Contents

2023–24 Snapshot.....	04	02 Governance and organisational structure	36
Responsible body’s declaration	06	Organisational structure	37
01 Year in review	07	Commissioners.....	38
Message from the Victorian Energy Safe Commission Chair	08	Executive Leadership Team.....	39
Message from the Chief Executive Officer	10	Governance committees.....	40
About Energy Safe Victoria.....	12	Legislative committees	41
Our objectives.....	13	Other committees	42
Our core regulatory functions.....	13	Occupational health and safety.....	43
Vision, purpose and values.....	15	Incident management	44
Strategic priority 1.....	16	Employment and conduct principles	45
Strategic priority 2.....	26	03 Workforce data	46
Strategic priority 3.....	29	Public sector values and employment principles.....	47
Strategic priority 4.....	30	Workforce diversity and inclusion.....	48
Five-year financial summary	32	Comparative workforce data	50



04 Other disclosures52

Responding to government priorities –
Statement of Expectations..... 53

Electricity safety directions 54

Gas safety directions..... 55

Prosecutions 56

Local Jobs First – Victorian
Industry Participation Policy..... 58

Major contracts..... 58

Competitive neutrality policy 58

Social procurement..... 59

Disclosure of emergency procurement 59

Disclosure of procurement complaints 59

Government advertising expenditure 60

Asset management accountability
framework maturity assessment 62

Information communication
technology expenditure 63

Cost of machinery-of-
government changes..... 63

Reviews and studies expenditure 63

Consultancy expenditure64

Freedom of information..... 65

Compliance with the *Public
Interest Disclosures Act 2012* 66

Compliance with the *Building Act 1993* 67

Environmental reporting 67

Privacy legislation..... 67

Additional information
available on request..... 68

Additional information
included in annual report..... 68

Information that is not applicable
to Energy Safe Victoria..... 68

Financial management
compliance attestation..... 69

Financial statements70

Independent auditor's report.....114

Disclosure index116

Abbreviations120

2023–24 Snapshot



Preventing harm

1
fatality

236
ground fires

15
serious injuries

110
installation,
equipment and
appliance fires

0
carbon monoxide
injuries



Employee safety

0
work fatalities

9
work injuries

18
work-related
motor vehicle
accidents

3
ongoing
WorkCover
claims*



Stakeholder engagement

Survey of regulated entities



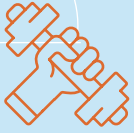
71%
Overall effectiveness
as a regulator
(down from
75.5% in 2022-23)

Survey of a cross-section of the community



69.5%
Stakeholder
experience
(down from
74.3% in 2022-23)

* as at 30 June 2024



Strengthening our role

17

prosecutions completed

30

improvement notices (1 electrical, 29 gas)

157

infringement notices (137 electrical, 20 gas)

5

disconnection notices (gas)

135

warning letters (120 electrical, 15 gas)

5

rectification notices (electrical)

12

directions



People Matter Survey



68%

Engagement rate (up from 66% in 2023)



80%

Participation rate (up from 75% in 2023)

Compliance and enforcement priorities

Vegetation clearance around powerlines

- **8,807** hazardous bushfire risk area inspections
- **4,903** low bushfire risk area inspections

62 Section 86(1) notices issued for vegetation

210 residential solar installation inspections

Gas appliance safety:

- **331** audits

Incidents involving renewable energy and new technology:

- **6** solar installations
- **2** wind installations
- **3** battery installations

Audits of renewable energy and new technology:

- **5** solar installations
- **7** wind installations
- **2** battery installations

Licensed Electrical Worker compliance

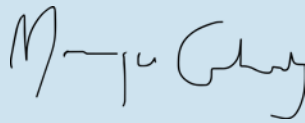
- **808** spot inspections

Electrical equipment and appliances

- **89** audits

Responsible body's declaration

As Commissioner and Chairperson of Energy Safe Victoria, in accordance with the Financial Management Act 1994, I present the Energy Safe Victoria Annual Report for the year ending 30 June 2024.



Monique Conheady
Commission Chair
Victorian Energy Safe Commission

25 September 2024

01

Year in review

Message from the Victorian Energy Safe Commission Chair

Energy Safe Victoria's role is to keep the Victorian community safe from energy-related risks. This report outlines the work we have done to deliver on our core aim of delivering a safer energy future that is sustainable for all Victorians and our climate.

We have seen a gradual improvement in energy safety outcomes over the long term. However, in May 2023, we tragically saw a life lost in an energy-related incident in Victoria. Concerningly, we also saw a rise in serious injuries during the 2023–24 financial year.

While the long-term trend is a decrease in fatalities and serious injuries from electricity and gas, the past year has shown us that our work in keeping Victorians safe continues. We cannot afford to be complacent and must use strong regulatory action, maintain a high presence around networks and continue high-profile media campaigns to keep the community safe.

One of the regulatory actions we can take is to issue a direction under the *Electricity Safety Act 1998* and the *Gas Safety Act 1997* to require certain actions to be taken to ensure the safety of the community. In the 2023–24 financial year, we saw an increase in the number of directions issued with most of them in relation to renewable energy.

We issued 12 directions over the year which is significantly higher than in 2022–23 and 2021–22 when we issued one and none respectively. Seven of the directions related to renewable energy. Two directions were associated with the collapse of transmission towers while others related to stray current near a train depot, and operating vehicles under high-voltage transmission lines.

The increase in directions demonstrated Energy Safe will take strong action to make duty holders accountable and where appropriate, take the necessary action to prevent harm to the community. However, the rise in the number of directions issued shows we still have more work to do to educate the energy industry and the community on the risks of energy – whether it is from traditional or renewable sources.

During 2023–24, we continued our important work in mitigating the biggest threat to the safety of the Victorian community – catastrophic bushfires. A lot of the work we do is to reduce the risk of a fire starting due to electrical infrastructure. While there were no significant bushfires over the past year we continued to monitor electricity distribution businesses in their bushfire mitigation responsibilities.

We will prosecute serious cases or when harm has been caused. In October 2023, United Energy pleaded guilty to 24 charges under the Electricity Safety Act for failing to maintain vegetation clearances around powerlines. The company was convicted and ordered to pay a fine of \$80,000 plus costs of \$13,200. In May 2024, we prosecuted Powercor Australia for a record number of breaches of the Electricity Safety Act for failing to inspect almost 5,000 powerlines and failing to clear vegetation from more than 100 other lines. The \$2.1 million fine was an indication of how seriously the court viewed the failures.

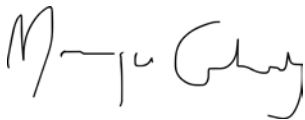
Under the Electricity Safety Act, the Gas Safety Act and the *Pipelines Act 2005*, all major electricity and gas companies are required to submit compliance documentation to Energy Safe for acceptance every 5 years. These documents, which come before the Commission, are collectively known as safety cases. During 2023–24, the Commission approved 6 safety cases; consisting of 3 gas safety cases, 2 pipeline safety management plans and a major electricity company's Bushfire Mitigation Plan.

In May this year, Energy Safe's new powers came into effect requiring asset owners to preserve incident sites. The legislative change also brought renewable energy owners and operators under the same safety obligations as electricity and gas companies.

As a demonstration of the seriousness, we and the Victorian Government place on keeping the community safe, the fines we can ask the courts to levy were increased six-fold, providing a greater incentive for regulated entities to achieve compliance.

I would like to thank my fellow Commissioners, Michelle Groves and Sarah McDowell, Chief Executive Officer, Leanne Hughson, and the executive team, for their leadership and support during my first year at Energy Safe. I would also like to acknowledge and thank our staff for their commitment and professionalism throughout the year.

I am pleased to present the Energy Safe Victoria 2023–24 Annual Report which is a formal record of the work we did during the financial year to keep Victorians energy safe.



Monique Conheady
Commission Chair
Energy Safe Victoria



Message from the Chief Executive Officer

The fundamental shift in Victoria's energy industry is visible in our homes, industrial estates, and on our roads. More Victorian households and businesses are choosing to drive zero-emission vehicles, invest in solar energy and have their own energy storage systems.

As the state's energy safety regulator, Energy Safe Victoria has a vital role in responding to the uptake in renewable energy and continuing to ensure energy is generated, delivered and stored safely. This includes setting regulatory standards for the renewable energy industry and ensuring these standards are followed. This regulation of the transition to renewable energy is one of the key priorities of the Ministerial Statement of Expectation.

We are working to increase our capability in renewable energy, and this will lead to more audits in the future. Earlier in 2024, we teamed up with WorkSafe and the Environment Protection Authority in a joint inspection program for large-scale renewable energy facilities, such as wind farms, solar farms and big batteries. We also continued our site visits of renewable energy and emerging technologies facilities to ensure safety standards were upheld.

During the 2023–24 financial year, our vital work auditing and reviewing safety cases continued. We audit and review the safety management plans of electricity and gas companies, and Bushfire Mitigation Plans of duty holders to ensure the safety of the Victorian community.

At the same time as the energy market has changed, Energy Safe, transformed into a modern, safety-first regulator, which is driven by data and puts the customer at the heart of our work. Our organisational transformation has seen us evolve our capability, redefine our operating model, and invest in and improve our technology.

Our transformation project, which saw significant organisational changes and improvements in technology, concluded in the 2023–24 financial year. In addition, we moved to a new location in August 2024, consolidating 2 offices into a single site where our people can work more effectively and collaboratively.

In September 2023, we updated our Charter of Consultation and Regulatory Practice which sets out how we will engage with stakeholders to inform our decisions. This guiding document gave the industry more certainty about how we will consult and our process for developing regulatory policy, conducting inquiries and making regulatory decisions. We consulted on a range of new or major regulatory guidelines during 2023–24, taking into account stakeholder perspectives.

In May this year, our new powers came into effect which strengthened our regulatory tool kit. Since then, we have developed policies and guidelines to help the energy industry understand their obligations, and our regulatory approach and expectations. Amongst the legislated changes was a marked increase in the penalties that apply for duty holder failures. Such significant financial penalties should serve as a strong deterrent for noncompliance, and we believe it is essential in improving energy safety in the community.

During 2023–24, we continued our campaigns which educate the community and industry on the hazards associated with electricity, gas and pipelines. Our work included a renewable energy campaign, run in partnership with Solar Victoria. The marketing campaigns targeted prevention, safety issues and promoted awareness of compliance to a large audience.

We are grateful to our stakeholders and partners, including the Minister for Energy and Resources the Hon. Lily D'Ambrosio MP, the Department of Energy, Environment and Climate Action (DEECA), industry bodies, other regulators, unions, major energy companies and employer groups for working with us to ensure Victorians are energy safe.

Finally, I would like to acknowledge the energy, dedication and passion of Energy Safe's people as they are integral to our success. I am proud of what we have achieved. I would like to recognise the hard work of all our staff and thank them for their significant contributions.

I am delighted to present Energy Safe Victoria's 2023–24 Annual Report.



Leanne Hughson
Chief Executive Officer
Energy Safe Victoria



About Energy Safe Victoria

The Victorian Energy Safety Commission is established under the Energy Safe Victoria Act 2005 and is known as Energy Safe Victoria. We are Victoria's independent safety regulator for electricity, gas and pipelines. Our role is to ensure Victorian gas and electricity industries are safe and meet community expectations.

The Minister for Energy and Resources is responsible for Energy Safe Victoria. We are required to perform functions and exercise powers in such a manner as we consider best achieves our objectives under the Energy Safe Victoria Act, *Electricity Safety Act 1998*, *Gas Safety Act 1997* and *Pipelines Act 2005*.

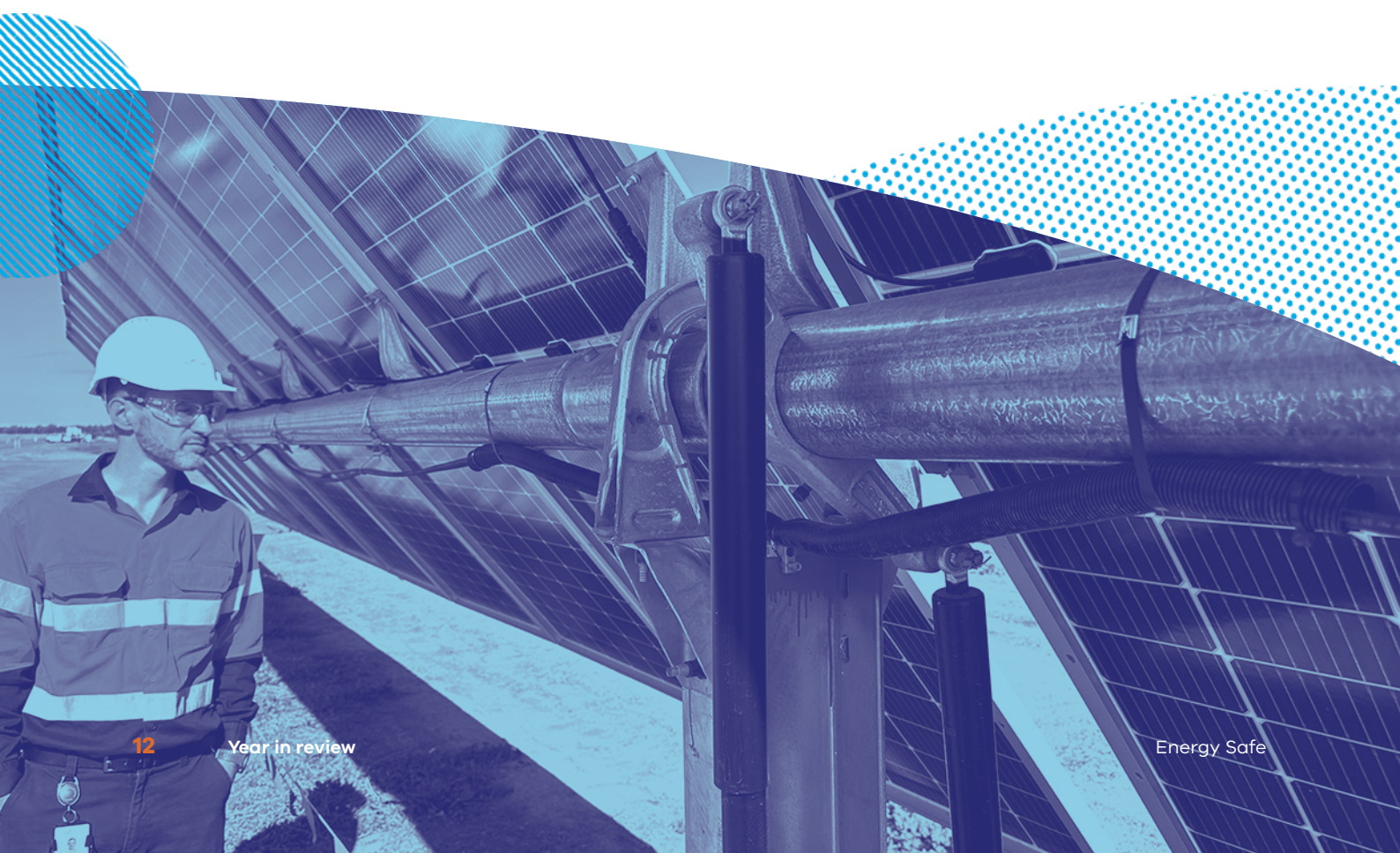
The Hon. Lily D'Ambrosio MP was the responsible Minister from 1 July 2023 to 30 June 2024.

The nature and scope of our activities are defined by our purpose, objectives, functions and responsibilities which are described in energy safety legislation, and in Regulations made under those Acts. We operate within, and monitor and enforce compliance with, this legislation.

Energy Safe Victoria comprises 3 Commissioners who hold statutory appointments. The Commissioners are responsible to the Minister and the Victorian Parliament for ensuring that we perform our functions and exercise our powers in a manner that they consider best achieves the objectives of Energy Safe Victoria, as stated in the Acts. The Commissioners also provide strategic direction and leadership.

Under the Electricity Safety Act and the Gas Safety Act, our Chairperson may give directions and has additional powers in the event of emergencies.

We act in line with our Corporate Plan, which includes a Statement of Corporate Intent and the annual business plans, financial plans and Charter of Consultation and Regulatory Practice, as specified in the Energy Safe Victoria Act. We also deliver on the Minister's Statement of Expectations and report our progress in this report.



Our objectives

We are an independent statutory body and oversee the regulatory safety frameworks that prevent death, injury, damage or loss due to electrical, gas and pipeline safety hazards. We ensure the safe transmission, distribution, storage, supply and use of electricity and gas.

We have statutory responsibilities to achieve the objectives and functions as specified in the Electricity Safety Act, Gas Safety Act and the Pipelines Act. These include ensuring:

- energy installations and appliances are safely installed and operated
- energy infrastructure and pipelines are safe during their commissioning, operation, and decommissioning
- bushfire danger prevention and mitigation are promoted
- licensed individuals undertake electrical work in accordance with prescribed safety standards
- infrastructure is protected from corrosion caused by stray electrical currents
- public and industry awareness of electricity and gas safety requirements is maintained
- energy efficiency of electricity and gas installations, appliances and components is promoted.

Our core regulatory functions

License, approve and accept

- We ensure that appliances meet stringent safety and energy-efficiency standards before they are sold.
- We administer licensing, registration and approval systems that maintain safety standards and skills for electrical workers.
- We license electricians and electrical workers (including lineworkers).
- We license electrical inspectors.
- We approve, register and audit cathodic protection systems for the owners and operators of major infrastructure.
- We assess, approve, accept and audit safety plans for major companies, such as electricity distribution businesses for:
 - electric line clearance
 - bushfire mitigation
 - Electricity Safety Management Schemes.
- We administer the gas acceptance scheme for complex gas installations.
- We ensure gas and pipeline companies have safety cases, construction safety management plans, and receive consent to operate.

Monitor and audit

- We inspect and audit safety systems (including safety management schemes, safety cases and plans) and safety practices in relation to the design, construction and maintenance of all electricity, gas and pipeline networks and installations.
- We monitor, audit and enforce compliance with standards and requirements.
- We audit the training provided by registered training organisations and work with them to ensure apprentices receive appropriate levels of skills and knowledge.
- We audit electrical equipment available for sale to Victorians, ensuring it is safe, efficient and meets minimum standards.
- To ensure public safety, we audit gas products at point of sale and gas appliance usage at public events.

Educate and engage

We cooperatively engage with industry and the community to facilitate safety outcomes. We conduct comprehensive public awareness campaigns to educate the community and industry on the hazards associated with electricity, gas and pipelines.

- We partner with training organisations, industry organisations and unions to provide educational seminars and professional development opportunities.
- We use our marketing campaigns and media relations functions to target safety issues or behaviour where compliance or enforcement action is impractical or inappropriate.
- We work with event organisers to ensure entities are aware of, and mitigate, risks relating to gas and electricity usage.
- We provide a technical helpline to support professionals in the gas and electricity industries.
- We receive complaints about unsafe or noncompliant industry activities from the public and carry out associated compliance and enforcement actions.
- We contribute to and chair a range of committees, namely:
 - partnering with other regulators, such as the Electrical Regulatory Authorities Council (ERAC) and the Gas Technical Regulators Committee (GTRC), to continually improve safety and national consistency of standards
 - participating in relevant standards committees along with other regulators and industry, we facilitate ongoing safety improvements applicable to energy installations, equipment and appliances to protect the community

- working with Victorian Government committees concerning the state's emergency response and advising on energy safety and infrastructure resilience
- participating in specific technical and safety energy committees including relevant industry participants, technical experts, and union representatives that address specific safety hazards.

- We work cooperatively with the Department of Energy, Environment, Land, and Climate Action (DEECA), other departments and agencies to ensure consistency and alignment with cross-government policies and arrangements.

Enforce compliance

We take appropriate enforcement action where there has been a breach of energy safety legislation, based on the severity of risk and harm and in accordance with our compliance and enforcement policy

- This may include providing notices to rectify or improve noncompliant work, issuing warning letters and infringement notices for gas and electrical installations, equipment and infrastructure, prosecuting offences under energy safety legislation, or taking disciplinary action in relation to licensed electrical workers and registered electrical contractors.
- We facilitate the issue of Certificates of Electrical Safety (COES) which assures the community that electrical work meets appropriate safety standards.
- We use data from our investigations and compliance activities to inform enforcement priorities and strategies.
- We may undertake recalls in relation to unsafe or noncompliant appliances or equipment.
- We may also prohibit the sale and/or supply of dangerous equipment or appliances.

Vision, purpose and values



Our vision

We're powering towards a safer energy future that is sustainable for all Victorians and our climate.

We need energy safety systems that are sustainable into the future so Victorians can continue to use energy for many generations. We also need energy systems to be modern and reliable, so our families, towns, cities, and lands are kept safe.

We aim to create a future where Victorians and the environment they live and work in can flourish because of the safe, reliable delivery of sustainable energy.

Our purpose

We keep Victorians energy safe and ensure energy is used confidently.

Energy and the technology that harnesses it are essential to our quality of life. However, these technologies can be complex and powerful, and the potential for harm is significant to our customers and the environment.

Through education, regulation and enforcement, we work to ensure that energy safety, supply and efficiency are a priority in Victoria and something our customers can be confident in.

Our values

At Energy Safe Victoria the following values are embraced and expressed in our day-to-day actions, decisions and interactions with others.



Integrity

We act with impartiality and uphold the importance of unbiased, equitable treatment. We do this in a way that is transparent, accountable, open and trustworthy.



Respect

We treat everyone with respect and uphold the importance of diversity, experience and skills. We care about the safety of Victorians and demonstrate respect through our actions.



Engagement

We actively engage with our customers and each other to achieve safer outcomes. We believe in cooperation, listening and succeeding together to improve safety outcomes.



Excellence

We aspire to the best standards of practice by ensuring an evidence-based, data-informed, best practice-led approach to our work. We continue to grow our capability to deliver excellent outcomes.



Adaptive

We are flexible and maintain effectiveness in the face of changing environments. We know that improving energy safety for Victoria means being at the forefront of change.

STRATEGIC PRIORITY 1

We strengthen and adapt our compliance and enforcement approach to energy generation, transmission, distribution, and use, including emerging energy solutions and technologies

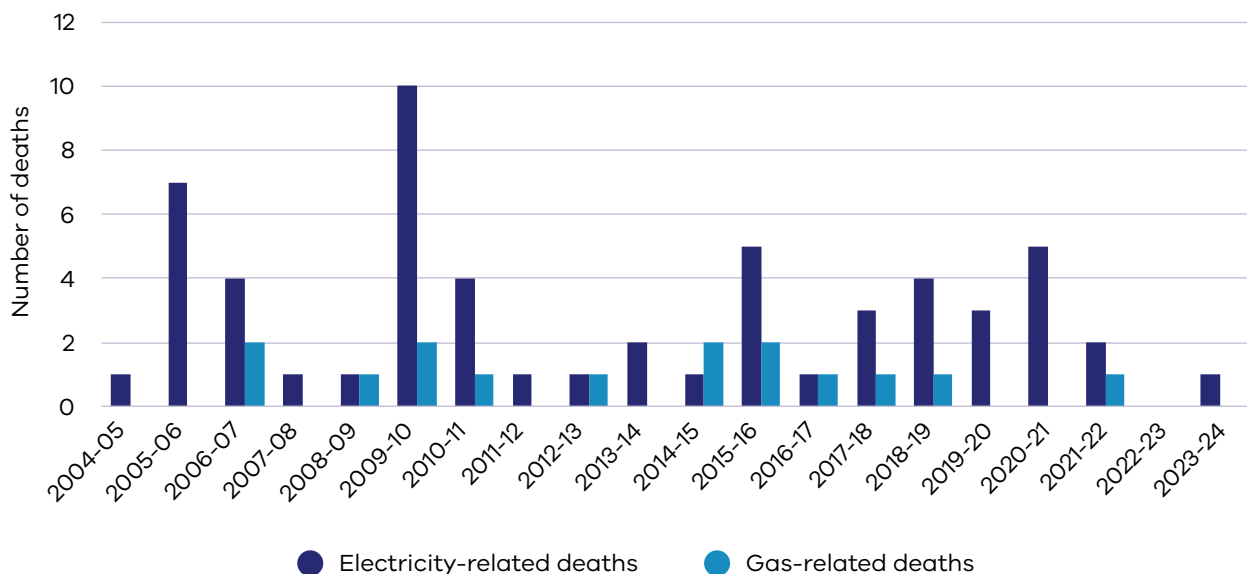
Fatalities and serious injuries

Victoria recorded an increase in energy-related incidents in 2023–24 compared with the previous financial year. Significantly, there was one fatality in May 2024. It was the first electrical-related death since February 2022.

The 2023–24 year was marked by both challenges and achievements in energy safety across Victoria. Continuing our success from gas-related incidents, there were no gas-related fatalities. The previous 2 financial years (2021–22 and 2022–23), demonstrated significant milestones and success in sustained strategies preventing gas-related deaths. These included the prohibition on the supply of open-flued gas heaters, increasing safety mechanisms for gas cylinders and the advertising campaign *Be sure*, which created awareness about the dangers of carbon monoxide.

During 2023–24, there were 15 serious injuries. This was significantly higher than those recorded over the previous 2 years and demonstrated the need to continue targeted compliance and enforcement.¹ Going forward we will focus on safety in the home, including electrical wiring installations, electrical equipment, and gas cylinders. In addition, a focus on renewable energy installations such as solar and battery storage will be critical to lowering incidents causing fire and property damage.

Despite the reported incidents, our sustained efforts contributed to overall improvements in safety outcomes compared with the long-term average. Energy Safe remains committed to its purpose of ensuring a safe energy environment for all, guided by proactive measures and continuous improvement initiatives.



¹ Victoria recorded 6 serious injuries in 2022–23 and 8 in 2021–22.

Fatality

On 31 May 2024, a member of the public was found deceased in a vehicle with a service fuse carrier. A ladder was positioned near the attachment point of the service line to a dwelling.

Serious injuries

There were 15 serious injuries caused by electricity and gas in 2023–24. This was up from 6 in 2022–23 and 11 in 2021–22.

The 2023–24 period was the second consecutive year with no serious injuries due to carbon monoxide.

July 2023

An electrician was doing maintenance on 3 disconnected switchboards when they came into contact with a fourth live switchboard. The electrician received burns to the hands and face from an arc fault from the live switchboard.

When power was off to a property via circuit breakers, an electrician did not remove the service fuse and pierced a live cable with his pliers causing an explosion. He received burns to his hand.

August 2023

An electrician tested a switchboard with an incorrect green test bench which supplies low voltage from a lead with alligator clips to the switchboard. The electrician received an electric shock.

October 2023

A gas worker cut a 22-kilovolt high-voltage underground cable and received burns to the hands and face.

A roof installer was moving steel roofing battens from scaffolding when the batten struck a 22-kilovolt distribution powerline. The installer received an electric shock and was knocked unconscious.

A roofing contractor raised a 7.2-metre metal channel from the ground to a second-floor scaffold when the channel struck the blue phase of a 22-kilovolt powerline. The contractor received an electric shock.

December 2023

A member of the public was injured when a misaligned butane gas cartridge in a portable cooktop leaked and caused an explosion. The person received burns to their arms and face.

A member of the public picked up a service cable on the ground between lighting poles and moved it next to a power pole. The person received burns to their hands.

A distribution business' service and restoration crew restored supply to a residential property while an electrical apprentice was working. The apprentice received an electric shock.

January 2024

A hospitality worker was injured when she attempted to ignite a commercial deep fryer. A build-up of gas caused an explosion and the worker received burns to her face.

March 2024

A civil construction worker was measuring a trench for a sewage system and lifted a metal measuring pole which hit an overhead 22-kilovolt conductor. The worker received an electric shock.

A member of the public was injured when a liquefied petroleum gas cylinder valve was turned to the fully-on position instead of the fully-off position, allowing residual gas to escape and causing an explosion. The person sustained burns to the face and arms.

April 2024

A chef plugged a power cord into a power board in a commercial kitchen and received an electric shock.

A member of the public was doing construction work when they lifted a purlin (used to brace a roof) which contacted a 22-kilovolt overhead conductor. The person received an electric shock.

June 2024

A construction worker made contact with a live 12.7-kilovolt high-voltage bare conductor with a metal handle attached to a concrete screed. The worker received burns to his hands.

Prosecutions

Energy Safe employs a range of enforcement actions to monitor and enforce compliance with energy safety laws, including prosecution action for breaches of the laws. In general, we prosecute cases that are more serious in nature or where there has been repeated or wilful noncompliance.

We investigate safety concerns and serious incidents. We may take enforcement action, depending on the severity and harm caused. We will act if negligence has been shown and people's safety has been placed at risk.

Where there has been noncompliance, we provide notices to rectify or improve, warning letters and infringement notices for gas and electrical installations, equipment and infrastructure. If a breach of energy safety has been significant, we will prosecute.²

During 2023–24 financial year, we completed 17 prosecutions, 7 more than in the previous year. Of the 17, 10 were related to electricity, 6 were related to gas and one was withdrawn. Details of our prosecutions can be found on [page 56](#).

Legislative change

On 16 May 2024, the *Energy Legislation Amendment (Energy Safety) Act 2023* came into effect. The legislative changes strengthened Energy Safe's regulatory powers to improve energy safety and included increased penalties as well as new obligations for major electricity companies and gas companies. The changes mean:

- There will be larger maximum fines for general duty offences of major electricity and gas companies, and for not complying with accepted Electricity Safety Management Schemes, Bushfire Mitigation Plans, and gas safety cases.
- We can now accept enforceable undertakings as a resolution to a contravention or alleged contravention of energy safety laws.
- Major electricity and gas companies must preserve the sites of certain incidents until an Energy Safe officer gives permission otherwise.
- We can now retain seized items for 60 days or longer if the period is extended by the court.

In addition, the Governor in Council can declare that the owner or operator of an electrical installation, for example a renewable energy generator, has the same duties and obligations as a major electricity company.

These changes aim to enhance Energy Safe's powers to prevent accidents, investigate incidents and ensure energy safety compliance. We also developed policies and guidelines to help the energy industry understand its obligations and Energy Safe's regulatory approach and expectations under the new Stakeholder Engagement Framework. (See [page 26](#) for more details.)

Bushfire mitigation

Ground fires

Victoria has a history of electricity assets causing bushfires and is identified as one of the world's most bushfire-prone areas. In 1969 and 1977 major bushfires were caused by the failure of electricity assets—including the clashing of conductors, conductors contacting trees, and inefficient fuses. On 7 February 2009, 5 of the 11 major fires that began that day were caused by failed electricity assets.³

The number of ground fires that occur is an important indicator of whether the controls used by electricity companies are working. A reduction in ground fires suggests the controls are achieving their aims. However, there are other factors which can affect this number, including weather patterns and seasonal rain.

Each year we monitor conditions for the summer fire season from 1 September to 30 April. During the 2023–24 fire season there were 236 ground fires. This was a relatively high number compared to the previous 3 years when there were 160 ground fires in 2022–23, 173 in 2021–22 and 204 in 2020–21. Last year's figure was similar to 2019–20 when there were 229 ground fires, but without a catastrophic fire event like the 2019–20 Black Summer bushfires.

The ground fires in 2023–24 were spread across Victoria with most occurring in more populated areas around metropolitan Melbourne.

² For further details on our approach to breaches of energy safety law, see our [Compliance and enforcement policy](#) on our website.

³ 2009 Victorian Bushfires Royal Commission (2010) [2009 Victorian Bushfires Royal Commission final report Volume II Fire Preparations, Response and Recovery](#), 2009 Victorian Bushfires Royal Commission, p 148, accessed 15 August 2024

Vegetation clearance

In preparation for each summer fire season, we inspect vegetation around powerlines and network assets in hazardous bushfire risk areas.

Vegetation growing close to powerlines is a risk and can cause fires, blackouts and power outages. We inspect powerlines to ensure electricity distribution companies, councils and other responsible persons keep vegetation clear of them, as is required by their approved Electric Line Clearance Management Plans.

During 2023–24, we conducted 8,807 inspections of lines in hazardous bushfire risk areas. This was 2,807 more than our target of 6,000 inspections for the year. We also conducted 4,903 inspections of powerlines in low bushfire risk areas. This was 1,097 less than the target of 6,000 for the year.

We made a risk-based decision to focus on hazardous bushfire risk areas due to poor past performance. We reinspected some areas to ensure that the line clearance programs were achieving regulatory compliance for the duration of the fire danger period. To be equitable, we inspected hazardous bushfire risk areas that were the responsibility of each of the electricity distribution companies.

In 2023–24, vegetation events caused 39 of the ground fires, up from 25 in the previous year. None of the reported ground fires caused significant fire events.

Rapid Earth Fault Current Limiter program

The last rapid earth fault current limiter (REFCL) was officially commissioned in Benalla in November 2023, marking the completion of Victoria's single biggest investment in powerline safety. The 2023–24 bushfire season was the first time the full fleet of REFCLs has been deployed. During the year, REFCLs operated for 4 permanent and 45 transient faults.

REFCLs mitigate bushfire risk and the damage caused by catastrophic events by reducing or shutting off power if a fault occurs along a powerline, decreasing the risk of ignition.

The 2009 Victorian Bushfires Royal Commission found some of the most devastating fires on Black Saturday were ignited by faults on powerlines. In response, the Victorian Government established the Powerline Bushfire Safety Taskforce.

In 2011, the taskforce identified REFCL technology as a potential way of reducing the risk of 22-kilovolt powerlines starting bushfires. The same year,

the Victorian Government established a multi-million-dollar program of works to deliver the recommendations of the 2009 Black Saturday Bushfires Royal Commission and taskforce.

REFCLs detect faults in powerlines and greatly limit the energy at the fault location without interrupting supply. They reduce the risk of a spark causing a fire. However, if the fault is ongoing, such as a fallen or broken powerline, the REFCL sends a signal to the circuit breaker to switch off power to the entire powerline until it can be repaired.

The Benalla substation was the 45th and final substation to be REFCL protected as part of the Victorian Government's mandated program.

The third and final tranche of the REFCL program was due to be completed by 1 May 2023. By that date, Powercor Australia had delivered 22 REFCL substations as required, Jemena had delivered one REFCL substation as required, and AusNet had delivered 21 of its required 22 REFCL zone substations.

Energy Safe granted AusNet an extension until 1 November 2023 to deliver the final REFCL substation due to technical and third-party delays which were beyond AusNet's control.

We plan to undertake a second review of the functional performance of REFCLs in late 2024.

Following the completion of the Victorian Government's mandated rollout, further REFCLs may be installed to protect other substations. Any such future REFCLs would form part of the network capital investments of the electricity distribution businesses to meet customer reliability, supply quality and safety expectations.

Power pole safety

We hold electricity distribution and transmission businesses to account by monitoring and enforcing the safety of the design, construction, operation, maintenance and decommissioning of electrical transmission and distribution networks.

We do this by ensuring distribution businesses have an Electrical Safety Management Scheme and a Bushfire Mitigation Plan which have been accepted by us, and that they deliver what is required under these plans.

These documents set out how the distribution businesses will manage powerline maintenance, ensuring network assets are inspected, maintained, repaired and replaced, when necessary, to reduce the risk to Victorians.

In addition, we have conducted reviews of all the Victorian electricity distribution businesses' pole management practices and areas for improvement to help the industry deliver sustainable safety outcomes.

Wood power pole failure can lead to disruptions to the network and fires, presenting a major risk in hazardous bushfire risk areas.

Powercor Australia

In November 2023, Powercor Australia reported to us about its 2023 pole intervention progress. The report showed Powercor Australia met its required compliance pole intervention volumes for 2023 for each of the 7 metrics specified in its Bushfire Mitigation Plan. The compliance volumes for 2023 included additional volumes to make up for a target that was missed in 2022.

Energy Safe is currently auditing Powercor Australia's 2022 pole intervention volumes and Powercor Australia has provided records to support more than 99.9 per cent of the claimed pole interventions.

Powercor Australia has also delivered a large number of inspections, pole replacements and pole reinforcements in the south-west region over the past year.

A high number of inspections are due to continue in the south-west during the next year as Powercor Australia continues to increase the number of the pole interventions that Energy Safe requires.

AusNet

In February 2022, we published the final review of AusNet's wood pole management practices. AusNet submitted documentation on all remaining milestones to address the recommendations in the report, except for the final milestone which is due in December 2024.

United Energy

In June 2023, we published the final review of United Energy's wood pole management. The review made several findings for United Energy to consider and put forward an improvement plan to address. In August 2023, United Energy submitted a plan to address all the review's findings and recommendations. The plan was updated in May 2024 and had several milestones, including an updated poles asset management plan; revised position on the hazardous bushfire risk areas

summer audit program; updated asset failure investigation process and updates on asset failures; implementing improved practices in the United Energy's asset inspection manual; submitting asset inspection training information and a position paper to adopt *AS/NZ 7000 Overhead line design*.

United Energy submitted documentation on all milestones except for the final milestone, which is due in September 2024. We are reviewing the submitted documentation to ensure that all findings and recommendations within the report have been addressed.

Jemena

The final review of Jemena's wood pole management practices was released in March 2024. The review found Jemena's wood pole management system had resulted in a relatively low rate of wood pole failure during the past 6 years. Despite this, our review found Jemena could improve the methods and practices used to mitigate hazards and risks across its networks.

Jemena manages a 6,160km network, including 60,587 wood and 19,919 concrete poles across suburbs including Footscray, Roxburgh Park, Sunbury, Coburg and Ivanhoe.

The review also found that Jemena had inconsistent documentation and practices in relation to asset inspection, audit of asset inspection practices, serviceability criteria, and the assessment of risk for application of inspection and maintenance programs as a critical control.

We made a number of recommendations and required Jemena to regularly report to us on its progress, starting in April 2024.

Renewable energy safety

Energy Safe has responded to Victoria's transition to renewable energy. Our work to improve renewable energy safety continued in 2023–24.

In March this year, we took part in the first joint inspection program for large-scale renewable energy. Energy Safe joined WorkSafe and the Environment Protection Agency to inspect Oaklands Hill Wind Farm near Glenthompson in Western Victoria.

The wind farm, which has 32 Suzlon S88 wind turbine generators, is operated by AGL Energy and was the first site chosen by the new joint regulatory taskforce working group.

The 3 regulators completed a range of safety and compliance checks during the visit, which was their first joint inspection of a renewable energy facility.

Oaklands Hill was chosen after it was identified as a high-priority facility by a project prioritisation tool built by Energy Safe. The tool assesses a range of technical and performance factors, and it assigns each renewable energy facility a priority rating.

In May, we conducted 2 more joint inspections. One was at Toora Wind Farm in South Gippsland, which started operating in 2001 and is one of the oldest wind farms in Victoria. The farm has 12 Vestas 66-volt, 1.75-megawatt wind turbines. While on site, the 3 regulators conducted safety and compliance checks, including an inspection inside one of the wind turbine nacelles.

The other joint inspection was of the Clayton Landfill Gas Power Station, a 12-megawatt electric generation station on former sand quarries in Melbourne's south-east. EDL operates the facility, which is run by gas generated from decomposing organic matter. The landfill site is filled and closed.

Meanwhile, in April, we visited a large-scale renewable energy project in the Goulburn Valley to continue our capability development and oversight of current solar farm construction methods. We also visited the 93-megawatt Girgarre solar farm. It was on track to be completed in June 2024 and was expected to be exporting electricity to the national electricity grid that month.

Renewable energy capability

In February 2024, we established the Renewable Energy Safety department to build and integrate 4 specialist teams:

- Solar and domestic systems
- Generation and storage
- Electrical equipment certification
- Energy efficiency certification.

During the 2023–24 financial year, the new department:

- participated in joint agency inspections with the Environment Protection Agency and WorkSafe Victoria focusing on risk-based regulatory efforts
- participated in the oversight and certification of electrical equipment to meet safety and efficiency standards
- engaged standards committees to influence and update relevant electrical safety standards, reflecting real-world incidents and safety concerns
- ensured renewable energy installations were compliant
- facilitated 6 voluntary safety recalls of electrical equipment, thereby removing unsafe equipment from sale.

Energy Safe also worked to ensure ongoing adherence to safety standards especially with the integration of new technologies as part of our inspections and enforcement actions.



Equipment safety

Energy Safe's broad remit includes responsibility for ensuring the safety of gas and electrical appliances. We do this by ensuring that equipment for sale in Victoria is certified and registered. We conduct enquiries regarding equipment failures and identify any potential breaches of our Act and Regulations. We also contribute to the development of relevant Australian standards to ensure our safety expectations are met.

Gas appliance safety

Energy Safe was the lead regulator for 2 new recalls of gas appliances in 2023–24. In September 2023, we managed the recall for the Rinnai Hotflo gas storage water heater over concerns it may cause an internal gas leak during operation. Consumers were at risk of a serious burn injury if they attempted to relight the burner. In November 2023, we managed the recall for a Gasmate replacement hose for use with camping stoves as the hose connection could leak if connected to a high-pressure camping stove. Customers were at risk of serious injury or death if the leaking gas ignited and potentially caused a fire or explosion.

Electricity appliance safety

We were the lead regulator for 13 electrical equipment recalls that were published on the Australian Competition and Consumer Commission (ACCC) website, with 10 of these recalls being the result of Energy Safe investigations.

We issued 57 notices requesting information to suppliers as part of our process to determine if the appliances were compliant. The outcome of these inquiries resulted in the suppliers taking a number of actions including registering the equipment on the Electrical Equipment Safety Scheme (EESS) register, making their products compliant, removing the products from supply or recalling the product. (See more information about the [EESS](#) on the next page.)

Energy Safe has been the lead electrical safety regulator on the LG battery storage recall that has expanded 4 times since its original notification in 2020. It increased from 94 batteries to around 18,000 batteries as at 30 June 2024.

We issued 4 official warning letters to suppliers that have supplied noncompliant products. These suppliers removed their equipment from supply.

We conducted 10 inspections of electrical equipment that were involved in a fire or electric shock incidents. Where the supplier of the equipment could be identified, the relevant safety concerns were raised for it to address. All the inspection reports have been shared with interstate regulators for their consideration in their respective jurisdictions.

Artificial intelligence tool

Energy Safe's work on electrical appliance safety was featured in a report on the use of technology in enforcement by consumer protection agencies. The *Transformative Potential of Enforcement Technology (EnfTech) in Consumer Law* report was released in January 2024 and included 18 case studies from around the world.

We designed artificial intelligence (AI) tools to audit electrical products being sold online, using visual and text recognition. In Victoria, electrical products must be certified against relevant standards to ensure they meet minimum safety requirements. During the past 5 years, Energy Safe created 2 tools to help streamline the auditing process.

The first tool checks the site of an online seller, such as eBay or Amazon, and checks text and images to see if the products are registered for sale in Victoria. The second tool can be used in the field and allows our compliance officers to scan the product information to check whether the products are certified and registered with responsible suppliers to be sold in Australia.

The tools aim to reduce the number of noncompliant electrical products on sale and in the long term, decrease the number of fatalities and injuries caused by these products. The project has been expanded each year to include more online retailers.

Electrical Equipment Safety Scheme

The Electrical Equipment Safety System (EESS) plays a critical role in ensuring a modern, data-centric approach to processing the certification and registration of largely imported equipment. We host and maintain the EESS website and associated systems for all jurisdictions in Australia and New Zealand.

The EESS registration function is being developed to form an integral part of the EESS system and it is expected to be completed by the end of 2024.

Additional functionalities and capabilities are being developed that will allow the capture of accurate and factual data validated on entry. The captured data will provide greater visibility of market trends (such as an increase in the number of suppliers or a greater amount of equipment being supplied in a specific category) and field incidents as they occur across all participating jurisdictions.

The additional capability will include auditing, incident investigation, a risk-level review engine, targeted check testing tools, and information sharing that is easily tailored to stakeholders' areas of interest.

The EESS's new capabilities make it a more adaptable, user-friendly system that is secure while being open to future improvement to keep in step with rapidly-evolving technology.

Energy Safe issued 332 Certificates for Electrical Equipment over the past financial year.

With the EESS system, we are able to:

- ensure electrical safety standards are up to date and are applied to the correct type of equipment
- keep records of any change and access in the system for higher transparency and accountability.

We participate in regular meetings of the Standing Committee of Officials (SCO) Equipment Working Group (EWG), to discuss issues related to electrical equipment safety.

We also assist in the development and publication of information bulletins aimed at informing the industry of safety requirements and providing guidance on the interpretation of safety standards.

Energy network strikes and encroachment

Third-party strikes are the most common cause of gas and pipeline infrastructure damage that can lead to loss of containment, serious injuries and fatalities. A comparison of the data from the past 5 years showed a steady decrease in the rate of third-party hits.

In 2023–24, strikes on gas mains and services reduced by 28 per cent and 19 per cent respectively. However, there was a slight increase of 1.5 per cent in third-party encroachment activities around the pipelines during this period. Notably, none of the pipeline encroachment incidents involved excavation equipment making contact with high-pressure transmission pipelines. These incidents were reported as the excavation works were conducted within 3 meters of the pipelines which is the notification zone set for monitoring third-party activity.

A total of 19 relatively high-risk incidents reported during 2023–24 were investigated by Energy Safe for enforcement actions, in accordance with our compliance and enforcement policy. As a result of the investigations, we issued 13 warning letters and 3 infringement notices to the offending contractors or third parties. As at 30 June, we were considering further action in relation to one incident of tampering with gas assets.

No Go Zones

People working near or operating mechanical equipment near overhead powerlines is dangerous. There is a high risk of contact, which can cause serious injuries and fatalities through electric shock or electrocution. Contact with a powerline can also cause fires, threaten nearby properties and the electricity network.

We advise the Victorian community and industry on No Go Zones. No Go Zone safety prevents injury and death from contact with live powerlines. We produced a strategy to reduce the number of contact incidents that happen each year, in turn reducing the level of harm for the industry and the community. We engaged with other regulators in Victoria and interstate for a multi-jurisdictional approach to this issue.

Continuing education for electrical workers

On 1 July 2023, continuing professional development (CPD) for electrical workers became compulsory for those wanting to renew their licence. CPD was introduced to increase safety for electrical workers and the community. The training is compulsory for those renewing their A Grade electrician's licence, restricted electrical workers licence, licensed electrical inspector licence or electrician (supervised) worker's licence.

CPD is split into 2 parts – Skills Maintenance and Skills Development. Skills Maintenance is refresher training on key regulations and safety topics. Electrical licence holders must now complete 8 hours of Skills Maintenance training every 5 years to be able to renew their licence. Skills Development will apply to licence renewals from 2028, and aims to open up new learning opportunities, particularly in renewable energy.

In 2023–24, 6,485 electrical workers completed their Skills Maintenance training. This was a significant increase on the previous year when 1,841 electrical workers completed this training.

The training was delivered on our behalf by 11 registered training organisations, with course content reviewed every 6 months to ensure it stays up to date, relevant and fit for purpose. Two content reviews were completed during 2023–24.

CPD for licensed lineworkers is currently under development, and in 2023–24 we identified the knowledge gaps for this cohort and set the topics that will be covered in the lineworker CPD training.

CPD is a Victorian Government initiative, supported by unions and employers and ensures electrical workers are suitably prepared for their work in the community, covering important safe-work topics.

Greenhouse Energy Minimum Standards

Energy Safe is contracted by the Australian Government to provide Greenhouse and Energy Minimum Standards (GEMS) product registration assessments. We have provided this service for more than 10 years.

Under the service-level agreement, Energy Safe processes, approves or refuses registration applications under the GEMS Act 2012. We must determine 99 per cent of applications for registration within 14 days of receipt. The agreement is formally reviewed by the Department of Industry, Science, Energy and Resources (DISER) each year.

The latest review, published on 6 October 2023, showed Energy Safe processed 99.86 per cent of applications within 14 days. It showed we processed 4,344 registration applications in 2022–23, with only 6 applications taking more than 14 days to process due to technical issues.

The current contract started on 1 April 2019, and we have consistently met the contract conditions, with most applications processed in fewer than 5 days.

Investigations

In 2024, Energy Safe established a centralised investigations team consisting of a Head of Investigations and 2 investigations managers leading a team of 6 highly skilled and experienced investigators.

The team brings a specialised forensic and regulatory investigative skillset to the investigation of complex electrical, renewable energy, gas and gas pipelines incidents. It undertakes formal inquiries into electrical safety matters where Energy Safe considers there is proper cause for disciplinary action to be considered. The team's case load includes highly technical and complex matters related to renewable energy installations.

Setting up the team, which is part of the Legal, governance, and regulatory policy division, followed the successful pilot of an investigations function. Centralising investigations was consistent with a recommendation by the *Independent Review of Victoria's Electricity and Gas Network Safety Framework* (the Grimes Review) that Energy Safe adopt a more 'energy neutral' approach to regulation which does not separate our work into electricity and gas.

The investigations team works closely with subject matter experts across Energy Safe to conduct thorough investigations into serious breaches of energy safety laws. This approach ensures we can take strong, defensible enforcement action where appropriate, that is aligned with our compliance and enforcement policy and prosecutions guidelines.

Taking action to hold regulated entities to account for significant noncompliance with Victoria's energy safety laws is an important deterrent. In addition, we aim to increase community trust in Energy Safe as a regulator by giving greater transparency into our regulatory approach and the decisions we make. For more on the outcomes of investigations, see our completed prosecutions on [page 56](#).

Safety case acceptance capability

All major electricity and gas companies are required to submit compliance documentation to Energy Safe for acceptance every 5 years. This documentation comprises Electricity Safety Management Schemes, Bushfire Mitigation Plans and Electric Line Clearance Management Plans for the electricity sector, Safety Cases for the gas sector, pipeline Safety Management Plans and Construction Safety Management Plans. These documents are collectively known as safety cases.

Safety cases are required under the Electricity Safety Act, Gas Safety Act and the Pipelines Act. In their safety cases, entities show that their infrastructure/facilities, operations and/or systems are safe and that appropriate controls are in place to minimise safety risks as far as practicable. Companies may also have to resubmit safety cases when required by legislation.

During 2023–24, Energy Safe started work to strengthen safety case assessment capability to improve safety regulation of these entities. We consulted on draft Energy Infrastructure Safety Case Guidelines with the aim of updating and communicating, at a high level, our current expectations about the form and content of safety cases and the assessment process. The draft guidelines also provide information about legislative amendments relating to the submission and revision of safety cases, which came into effect on 16 May 2024.

We also implemented a software tool which will improve the workflow process for the submission and acceptance of safety cases. The tool will provide better oversight of the companies we regulate, improves transparency of our process and delivers better performance monitoring of the process.

The project also included a review of Energy Safe's policies, guidance material and templates in relation to safety cases. This was done to clarify our expectations and improve the quality and consistency of future safety case submissions.

The new tool will give us a better oversight of the companies we regulate and improves transparency of our processes. This means we will be more accountable for timely approvals.

Once the changes are fully implemented in the 2024–25 financial year, we will have a visible, structured and consistent approach to our assessment and acceptance of safety cases.

Data hub

We continued building our data platform to be able to efficiently process larger volumes and a wider variety of data, leverage our expertise and develop evidence-based insights. During 2023–24, we focused on the key element of this platform – a new cloud-based data hub.

By using a data hub, we improved the way we manage and process data through modern practices, tighter governance, and increased security. More comprehensive data management, analysis and insights will sharpen Energy Safe's strategy, priorities and focus.

During 2023–24, we used data to develop compliance and enforcement priorities. We also connected our emerging customer engagement platform to allow a more efficient flow of data about licensed workers and Certificates of Electrical Safety, both online and in hard copy.

We continued to develop our use of data to inform our business decisions. We produced internal monthly reports for the CEO and Commission which tracked our key performance indicators. We also produced external reports, such as a weekly fire report, which is produced between October and April for the Minister for Energy and Resources. This report provided an overview of bushfire conditions, activities undertaken by the major electricity companies to mitigate risks and emerging safety risks. Another example of where we used data was our decision to concentrate on vegetation clearance inspections in hazardous bushfire risk areas during 2023–24.⁴

4 See the section on [Vegetation clearance](#) in this chapter for more details.

STRATEGIC PRIORITY 2

We listen to our stakeholders to inform our regulatory approach

Stakeholder engagement framework

In September 2023, the Energy Safety Commission endorsed the updated *Stakeholder Engagement Framework – Charter of Consultation*. The framework sets out how we engage with stakeholders to make better decisions and promote consistency of practice and excellence across the organisation.

We describe our commitment to effective engagement in our *Charter of Consultation and Regulatory Practice*, which is a core part of the framework. The charter is a guide to what stakeholders can expect from Energy Safe when we consult to make decisions and achieve regulatory outcomes. It includes:

- the principles that guide our consultation activities and guidelines
- our consultation processes for developing regulatory policies, conducting inquiries and making regulatory decisions.

The charter was published on our website in November 2023, in accordance with requirements under section 25A of the Energy Safe Victoria Act.

In December 2023, our Commission endorsed the Stakeholder Engagement Strategy for 2024. The strategy focused on delivering contemporary strategic stakeholder engagement practice and embedding it at the heart of our new ways of working.

The goals and activities outlined in the strategy enable us to deliver the engagement commitments contained in the charter.



Industry guidance and education processes

Consultation on regulatory policy and guidelines

Under our new *Charter of Consultation and Regulatory Practice*, we consulted on a range of new or major regulatory policy and guidelines during 2023–24. These included:

- Incident reporting and site preservation guidelines (March 2024)
 - New site preservation requirements for some electricity suppliers and gas companies came into effect on 16 May 2024. We consulted on draft guidelines that set out the legislative framework and Energy Safe’s approach to the new site preservation requirements.
- Requirements for the effective supervision of apprentice electricians (April 2024)
 - We consulted on the redrafted *Requirements for the effective supervision of apprentice electricians*, a statutory document published by Energy Safe under the *Electricity Safety (General) Regulations 2019 (Vic)*. It is intended to specify the responsibilities and requirements for employers and supervisors to provide effective supervision of apprentice electrical workers.
- Rapid earth fault current limiter (REFCL) operations guideline – consultation with major electrical companies (March/April 2024, community consultation (May 2024)
 - We sought feedback on Energy Safe’s preliminary views on how electricity distribution businesses should operate rapid earth fault current limiters (REFCLs), particularly on non-total-fire-ban days, to protect the community while balancing supply reliability considerations.
- Energy Infrastructure Safety Case Guidelines (May 2024)
 - We consulted on draft guidelines that aim to assist energy infrastructure companies to understand and comply with their safety case obligations and our general expectations.

- Victorian traction industry electrical safety rules (Orange Book 2024) (April 2024)
 - As part of the Victorian Railway and Tramway Electrical Safety Committee, we sought feedback on the draft Victorian traction industry electrical safety rules, better known as the Orange Book.
- Victorian neighbourhood battery safety guidelines (April 2024)
 - We consulted on draft guidelines providing information about safety considerations applicable to neighbourhood batteries, also known as community batteries, with a generation capacity of less than 1 megawatt.

Centralising industry education and guidance

As part of our transformation project, we centralised our education and industry guidance functions into one dedicated team. The establishment of this specialised team reflects the increasing importance of and need for effective design, provision and delivery of guidance to support regulated entities and persons to comply with their regulatory obligations.

In 2023–24, the education team focused on the delivery and expansion of the Continuing Professional Development program for licenced electrical workers, in partnership with our industry stakeholders.

Industry engagement

Energy Safe engages with industry in several different ways. In 2023–24, we met with the senior management of 10 of Victoria’s major electricity and gas pipeline distribution companies. Our Commissioner and Chairperson Monique Conheady, CEO Leanne Hughson, and General Manager of Regulatory Operations Ian Burgwin, set out our expectations around regulatory compliance and discussed each of the companies’ safety performance and issues impacting the energy sector.

We also delivered presentations to electrical workers, particularly apprentices. During 2023–24, we delivered 104 presentations on safety, supervision and licensing matters to 2,122 apprentices.

During 2023–24, our gas compliance officers conducted 15 presentations to apprentices at registered training providers. We also spoke about gas safety at the Plumbing Supply Forum and the Hazardous Materials Conference. We presented on the future of the hydrogen industry at the University of Swinburne and on hydrogen fuel cells at the Albury Plumbing Teachers Conference.

We presented to registered training organisations and hosted 18 sessions, presenting to more than 915 electrical students. The sessions included 2 industrial trade days as well as a Build Aware compliance program conducted in regional Victoria. For the Build Aware program, Energy Safe partners with the Environment Protection Authority, Victorian Building Authority and WorkSafe Victoria, to deliver industry awareness of their obligation to comply with relevant legislation including energy safety, building, construction, environment, plumbing, and occupational health and safety laws.

Other events attended during the year included the Plumbing Coppersmiths, Sheetmetal Instructors Association (PISCA) conference at Albury which was attended by more than 170 technical and further education (TAFE) plumbing and gasfitting teachers as well as industry stakeholders. The event included presentations and workshops in relation to industry training, future requirements and emerging technologies and fuels.

Public safety campaigns

Energy Safe runs a program of public safety campaigns to educate the community, raise awareness about the risks associated with energy usage and encourage safety at all times.

During 2023–24, we delivered a suite of advertising campaigns, including a new campaign, *Keeping you Energy Safe. Always*. It was developed to raise awareness of the Certificate of Electrical Safety, a legal document that makes electricians accountable for their work. The campaign addressed low community awareness about the need to get a certificate for all electrical work.

We also delivered our electrical campaign, *Don't Do It Yourself (DDIY)*, which encouraged the community to not do their own electrical work; our solar safety campaign, *Show your solar some love*, which encouraged people with home solar systems to get them serviced at least every 2 years; and our *Be Sure* campaign which raised awareness of carbon monoxide poisoning caused by faulty open-flued gas heaters. More details about our campaigns are on [page 60](#).

STRATEGIC PRIORITY 3

We make it easier for our customers to interact with us

Customer hub

Energy Safe's customers include members of the public requesting Certificates of Electrical Safety or enquiring about the safety of a gas appliance, electrical workers with licensing queries, and major electricity distribution or gas pipeline companies.

Historically, our customers called us on one of 5 different phone lines to speak to different business units. The customer hub aims to streamline this approach. Our aim is that when a customer calls, they will receive the same level of service and advice, regardless of which number they call or if they email or visit us in person.

During 2023–24, we started work on the customer hub by hiring key people to deliver it. We also centralised all customer-facing areas at Energy Safe, namely:

- front office reception
- licensing of electrical workers
- processing Certificates of Electrical Safety
- providing energy safety and technical advice
- reporting safety concerns
- complaints about industry.

We developed a 3-year plan to improve our customer service capabilities and tools. We continue to work to improve the productivity and efficiency of our services.

We started using our new customer engagement platform in discreet areas of Energy Safe. The platform will be a software solution which will allow us to have a single view of our customers and all their interactions with us, which are currently housed in different software systems.

STRATEGIC PRIORITY 4

We support our people to deliver public value

New operating model

Victoria's rapidly evolving energy landscape requires Energy Safe to adapt to it. The energy sector we regulate is working on the safe decommissioning of gas, delivering a 95 per cent renewable energy target by 2035 and has a growing need for energy safety awareness and compliance.

In 2022–23, we did substantial work to improve our technology infrastructure to provide us with the tools to help us achieve regulatory and safety outcomes for Victorians. This work continued over the past financial year.

During 2023–24, we also designed a new Operating Model (One ESV) and underwent a major restructure to align with it. The first wave, completed in March 2023 reduced our divisions from 5 to 4 and united the electrical and gas divisions.

In the second wave, we aligned these accountabilities to the new divisions including the Customer and People Experience Division, which is focussed on improving our accessibility and the experience of interacting with us. One of the key things this division will deliver is providing industry and community advice and education in a streamlined way. We consulted with our staff on the proposed changes and the restructure was completed in February 2024.

To strengthen our regulatory response, we centralised a new investigations team to the legal, regulatory policy and governance division and established a new renewable energy department that will focus on the safe advancement of renewable and electrical energy supply.

Workplace strategy

We continued our journey to become an employer of choice by implementing our Workplace Strategy. In May 2023, we published our Hybrid Work Policy which was implemented over the financial year.

During 2023–24, we also continued to invest in our systems. Our digital workplace aims to improve anywhere, anytime access and provide a more integrated experience whether our staff are working in the field, in the office or from home.

We designed a new consolidated office space to bring our 2 offices, in Southbank and Glen Waverley, together in one central location. This will enhance opportunities for collaboration to produce stronger regulatory outcomes. The move will also reduce our environmental footprint, and the costs associated with 2 sites.

Brand identity

Energy Safe's brand strategy aims to establish us as a credible, trusted and visible brand for our stakeholders and those we regulate. Our strategy will help us communicate our purpose, which is to keep the people of Victoria energy safe. Our strategy also reinforces our expertise as energy safety experts and supports the delivery of our strategic objectives, vision and values.

During 2023–24, phase one of the brand strategy was implemented, this included:

When referring to ourselves, either verbally or in writing, we now use Energy Safe Victoria or Energy Safe. Avoiding the acronym ESV and using our full name helps to reinforce who we are and what we stand for.

Implementing a new brand sign-off: Energy Safe. Always. The brand sign-off clearly states our vision and reflects our commitment for everyone inside and outside Energy Safe. The sign-off has been included in our publications, website, media releases, collateral, advertising campaigns and social media.

Presentations about the new brand strategy were held with Energy Safe teams to introduce the brand changes and provide practical advice on how to use the brand strategy in our day-to-day work.

To help staff produce consistent communications, a tone of voice and style guide was published on the intranet as part of the brand toolkit.

Investing in new digital systems

A major part of Energy Safe's transformation project has been the upgrade of our digital systems that will allow us to standardise and streamline our processes. This work continued during 2023–24.

We successfully implemented the data hub 2.0, a strategic initiative to improve our data capabilities. The hub equips us with robust data resources, including near real-time reporting, advanced analytics, and business intelligence. By integrating data from our various business applications, we can make informed decisions across the organisation. In addition, we are able to provide better data visualisation and actionable insights.

We established the foundation and core capabilities within Microsoft Dynamics to enable regulatory changes (such as safety cases and investigation). The Dynamics platform will allow us to capture, analyse and use quality data to provide insights, measure energy safety outcomes, and enable evidence-based decision-making.

We embraced a cloud-first strategy for our business systems and infrastructure. In preparing to do so, we migrated and adopted online technologies (cloud-based) rather than investing in onsite servers. These online technologies included ESVConnect, Microsoft 365, Dynamics and the data hub. Moving our business systems online improved our agility, strengthened our security, and improved our performance and scalability. Moving online also improved our disaster recovery resources.



Five-year financial summary

Overview

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of Energy Safe.

We operate by fully recovering our costs from industry; we do not receive any government appropriation. We generate income from levies raised on industry, in accordance with relevant legislation and determinations made by the Minister for Energy and Resources. In addition, we earn income from the sale of certificates of electrical safety and the issue of licences to electrical workers. The most significant element of our expenditure base relates to employee cost. Our aim is to generate sufficient accumulated cash surpluses to renew and enhance our asset base and improve the efficiency of the services provided to industry.

Five Year Financial Summary

	2023-24 \$'000	2022-23 \$'000	2021-22 \$'000	2020-21 \$'000	2019-20 \$'000
Total income	75,409	58,707	57,877	51,978	47,551
Total expenses	(74,210)	(67,664)	(54,588)	(47,061)	(45,811)
Net result from transactions	1,199	(8,957)	3,289	4,917	1,740
Other economic flows	(223)	(153)	(59)	(72)	(27)
Comprehensive result	976	(9,110)	3,320	4,845	1,712
Total assets	31,156	26,610	35,149	32,710	25,344
Total liabilities	(18,924)	(15,354)	(14,783)	(15,574)	(13,053)
Net assets	12,232	11,256	20,366	17,136	21,291

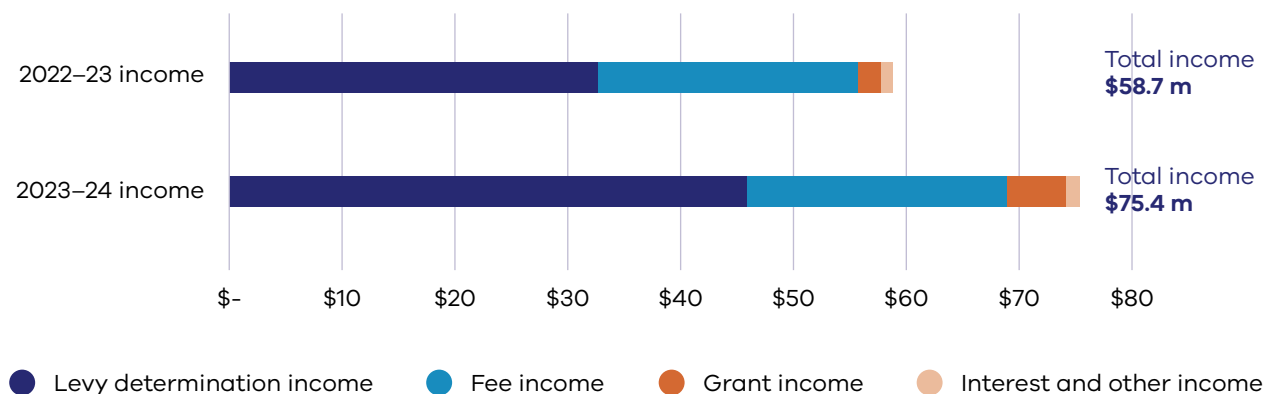
Financial performance and business review

In the 5-year period to 2023–24, our income has increased at a compound annual growth rate of 9.7 per cent per year, reflecting approved increases in levy rates and prices. The levies for 2023–24 having been approved by the Minister for Energy and Resources in June 2023, increased in 2023–24 by 40.7 per cent for the electricity industry and 40.3 per cent for the gas and pipelines industry to enable Energy Safe to proactively regulate renewable energy and the safety of the energy transition.

In the same period, expenses have increased at a compound annual growth rate of 10.1 per cent per annum, reflecting agreed annual pay increases under our Enterprise Agreement, the additional costs of servicing higher regulatory activity levels and the completion of the transformation program.

In 2023–24, we recorded a net result from transactions of a surplus of \$1.2 million, which is an increase of \$10.1 million compared to 2022–23. This was due to cash flow surpluses generated in the recent years being used in 2022–23 which were applied towards implementing the transformation program including the upgrade of core systems and operational effectiveness.

Income from transactions increased by \$16.7 million (28.4 per cent), with 61 per cent of income raised through levies, which is 5.2 per cent higher than 2022–23. Overall, levy income was 40.4 per cent higher than 2022–23, reflecting the approved rate of increase. Fee income was 0.4 per cent higher than 2022–23 reflecting the approved rate of increase and economic activity. Grant income increased by 140.5 per cent, reflecting increased recognition of grant revenue as specific performance obligations in contracts are met. Interest income increased by 40.5 per cent, as interest rates on deposits held increased throughout the financial year.



Expenses from transactions increased by \$6.5 million (9.7 per cent) and was driven by the following:

- Employee benefits increased by \$3.1 million, reflecting the impact the Enterprise Agreement increases, and higher staffing levels related to regulatory activity required for renewable energy and new technology.
- Information services increased by \$0.8 million due to the costs of new software applications, together with maintaining and enhancing existing software applications.
- Contractors increased by \$2.9 million primarily due to costs associated with the implementation of the transformation program, which was completed in this financial year.
- Other costs comprise several elements such as staff training and recruitment, marketing and

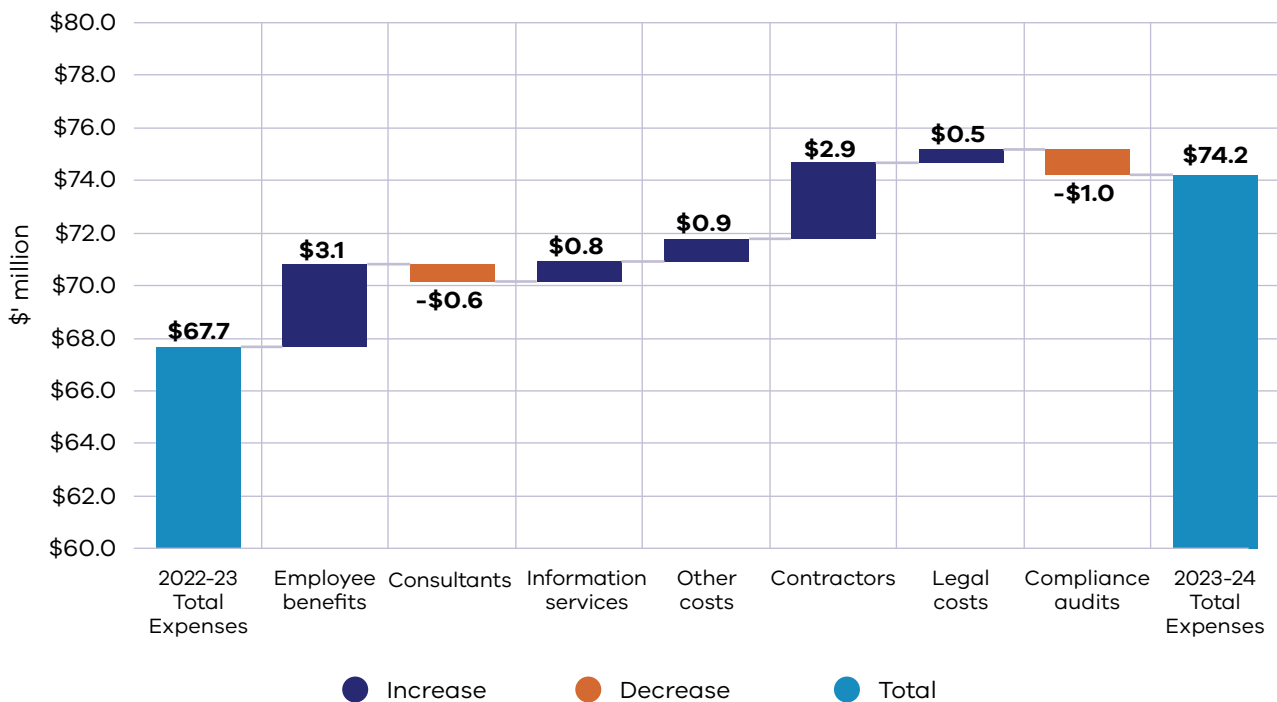
advertising, rent and travel, which increased by \$0.7 million from last year.

- Legal costs increased by \$0.5 million primarily due to the targeted enforcement program.

This has been partly offset by:

- Expenditure on consultants decreased by \$0.6 million due to lower spend for funded projects and costs for the transformation program now moving to the implementation stage and classified as contractors in prior year.
- Compliance audits decreased by \$1.0 million from last year but was in line with the targeted audit program.

There were no other significant changes or factors affecting our financial performance during the reporting period.



Financial position - balance sheet

Our net assets increased by \$1.0 million from the 2022–23 financial year to \$12.2 million.

The increase in total assets, by \$4.5 million was mainly due to the cash generated from operating activities net of capital and leasing expenditure.

Total liabilities increased by \$3.6 million mainly due to an increase in payables due to the timing of invoice payments at year-end and an increase in provisions for employee-related costs such as long service and annual leave.

Our financial position remains strong, and we maintain a minimum cash buffer to ensure we can meet our financial commitments. Our external auditors are supportive of our going concern evaluation and have issued a clear audit opinion, while our *Corporate Plan 2024–2027* seeks to maintain our long-term financial sustainability and adequate cash reserves.

We had no borrowings at 30 June 2024.

As at 30 June 2024, we had commitments for future expenditure of \$4.0 million, primarily consisting of obligations in respect of vehicles, property leases and funded projects.

Cash flows

We generated a net cash inflow of \$3.4 million during the year, compared to a net cash outflow of \$6.7 million during 2022–23. Of this, \$9.3 million cash inflow was generated from operating activities, while \$4.1 million was spent on the purchase of non-financial, largely intangible, assets, and \$1.7 million on lease repayments.

Our cash holdings are invested according to the requirements of the Department of Treasury and Finance.

02

Governance and organisational structure

Organisational structure

Our structure as at 30 June 2024



Commissioners

Monique Conheady

Ms Conheady was appointed as a Commissioner and Chairperson from 1 August 2023.

Ms Conheady is a highly-experienced non-executive director and chair, serving on the governing boards of various government agencies and innovative start-ups. Currently she is Deputy Chair of Melbourne Water and Chair of JET Charge, Australasia's largest electric vehicle charging infrastructure company. Ms Conheady has a Bachelor of Engineering and a Bachelor of Arts.

Committee membership

- Chair of Remuneration Committee
- Member of Audit and Risk Committee
- Non-voting Chair of Electric Line Clearance Consultative Committee until March 2024.

Michelle Groves

Ms Groves was Acting Chairperson from 3 February 2023 to 31 July 2023 and returned to her role as Deputy Chairperson from 1 August 2023.

Prior to becoming a Commissioner of Energy Safe, Ms Groves was the Chief Executive of the Australian Energy Regulator for nearly 15 years and a director at the National Competition Council. Ms Groves is also a member of the Governing Body

of the Economic Regulation Authority of Western Australia. Ms Groves has a Bachelor of Arts, Bachelor of Law and Master of Law degrees.

Committee membership

- Chair of Future Trends Advisory Committee
- Acting Chair of Remuneration Committee until 30 July 2023
- Acting member of Audit and Risk Committee until 30 July 2023
- Acting Chair of Electric Line Clearance Consultative Committee until 30 July 2023.

Sarah McDowell

Ms McDowell has 17 years' experience in energy regulation, serving as the Energy Executive Director at the Essential Services Commission before being appointed as a Commissioner at Energy Safe. Ms McDowell has a Graduate Diploma in Law, a Bachelor of Commerce and a Bachelor of Arts. She also serves on the Board of Sustainability Victoria and advises governments on regulatory design and implementation.

Committee membership

- Chair of Workforce Engagement Consultative Committee.

Commission and Commission committee meeting attendance for 2023–24

Commissioner	Commission meetings	Commission committees	
		Audit and risk	Remuneration
M Conheady	10/10	3/3	3/3
M Groves	11/11	1/1	1/1
S McDowell	11/11	N/A	N/A

Note: Numbers in the table are the number of meetings eligible to attend in the period. In total, there were 4 Audit and Risk Committee meetings and 3 Remuneration Committee meetings.

Executive Leadership Team

Leanne Hughson, Chief Executive Officer

Ms Hughson is responsible for the day-to-day running of Energy Safe and works closely with the Commission to develop and implement Energy Safe's strategy, purpose and objectives. She led the transformation of Energy Safe, building the governance, systems and people to ensure regulated industries are supported to comply with legislation and strong regulatory action is taken where appropriate.

Prior to her appointment as CEO, Ms Hughson worked at WorkSafe Victoria for 13 years in a range of senior roles including General Counsel, Executive Director of Health and Safety and Chief of Transformation, and as the Commander of Enforcement of Compliance in the COVID-19 response at the Department of Health. She holds a Bachelor of Arts and Laws, a Master of Taxation, and is a graduate of the Harvard Business School and the Australian Institute of Company Directors.

Roanne Allan, General Manager Customer and People Experience

Dr Allan is responsible for customer and people experience, human resources, strategic communications and marketing, stakeholder engagement and emergency management. She oversees our customer hub which has been established and work continues to develop a single front door to Energy Safe to enable consistent interactions with customers and stakeholders. She holds an Executive Masters of Public Administration, a PhD in Organic Chemistry and is a graduate member of the Australian Institute of Company Directors.

Ian Burgwin, General Manager Regulatory Operations

Mr Burgwin is responsible for the safety of pipelines, gas (including construction safety management plans) and electrical networks (including bushfire mitigation and vegetation management), gas and electrical installations, equipment, and renewable energy of all scales. Before joining Energy Safe, he served as Operations Director during the

construction and commissioning of Basslink and as a senior consultant with AECOM. He holds a British Higher National Certificate in Electrical and Electronic Engineering.

Michelle McCorkell, General Counsel and General Manager Legal, Governance and Regulatory Policy

Ms McCorkell is responsible for leading teams that provide legal, commercial and procurement advice, establish positions on Energy Safe's use of regulatory powers and policy positions on key regulatory issues, develop legislative instruments and influence/support legislation development, and provide governance advice and secretariat services to the Commission and the statutory and other committees that advise the Commission. She is responsible for all litigation involving Energy Safe including prosecutions, as well as various compliance functions including public interest disclosures, freedom of information and privacy. She is also our Chief Procurement Officer. She holds a Bachelor of Laws (Hons) and a Bachelor of Arts and previously was a Special Counsel at a major Australian law firm.

Steve Cronin, General Manager Finance, Strategy and Risk

Mr Cronin is responsible for finance, strategy considering future trends, corporate planning, enterprise risk management and performance monitoring and reporting. He was also Chair of the Victorian Electrolysis Committee until December 2023. Mr Cronin joined Energy Safe after extensive experience in the energy sector, including the Australian Energy Market Operator and VenCorp. He holds a Bachelor of Science in Engineering.

Governance committees

The Commission has 2 standing governance committees: the Audit and Risk Committee and the Remuneration Committee. Both committees have governance and oversight responsibilities outlined within their respective charters.

Audit and Risk Committee

The Audit and Risk Committee is established in accordance with the requirements of Standing Directions 2018 under the *Financial Management Act 1994* (Direction: 3.2.1: Audit Committee).

Members of the Audit and Risk Committee are:

- Elizabeth Grainger (Independent Chair)
- Laurinda Gardner (Independent member)
- Monique Conheady (Commission Chairperson)

Michelle Groves was Acting Commission Chairperson for one meeting during the period.

Steve Schinck was Chairperson until his term expired on 30 August 2023.

Leigh Berrell resigned as an independent member on 9 January 2024. He attended one meeting during his term of appointment.

In accordance with the Standing Directions, the committee is directly responsible and accountable to the Commission for the exercise of its responsibilities. These include but are not limited to:

- independently reviewing and assessing the effectiveness of Energy Safe Victoria's systems and controls for financial management, performance and sustainability, including risk management
- determining the annual work plan and scope of the internal audit function and ensuring resources are used effectively

- maintaining effective communication with external auditors (including the Auditor-General and the Auditor-General's duly appointed agents and representatives)
- considering recommendations made by the internal and external auditors; and ensuring that the actions to be taken by Energy Safe to resolve issues raised are reviewed regularly
- reviewing the annual financial statements and monitoring compliance with the Financial Management Act
- overseeing the effective operation of the Victorian Government Risk Management Framework.

Remuneration Committee

Members of the Remuneration Committee are:

- Monique Conheady (Chair and Commission Chairperson)
- Karen Haywood (Independent member)
- Joanne Barber (Independent member).

Michelle Groves was acting Chair (as Acting Chairperson of the Commission) until 31 July 2023.

Phil Ulrich was an independent member until his term expired on 30 September 2023.

Laurinda Gardner was an independent member until her term expired on 29 March 2024.

The Remuneration Committee assists the Commission to fulfil its governance responsibilities by ensuring that it has in place executive remuneration policies, guidelines and practices that are consistent with government policy. It seeks to provide independent advice, assurance and assistance to the Commission and the CEO on executive and senior leaders' remuneration and employment matters to ensure best practice principles are applied across Energy Safe.

Legislative committees

Electric Line Clearance Consultative Committee

(Section 87 *Electricity Safety Act 1998*)

The committee comprises up to 12 members appointed by the Minister, plus the Acting Chair, Energy Safe Commissioner Monique Conheady. It meets 4 times a year and provides advice to Energy Safe Victoria and the Minister on matters relating to the clearance of electric lines, including preparation and maintenance of the Code of Practice for Electric Line Clearance contained within the *Electricity Safety (Electric Line Clearance) Regulations 2019*.

Victorian Electrolysis Committee

(Section 91 *Electricity Safety Act 1998*)

The committee comprises up to 8 members representing various industry groups appointed by the Minister. It meets 4 times a year and is chaired by the member representing Energy Safe Victoria. The committee provides advice to Energy Safe on any matter related to electrolysis and the regulations relating to cathodic protection and the mitigation of stray current corrosion. This includes the establishment and maintenance of standards for systems for cathodic protection and the mitigation of stray current corrosion.

Technical Advisory Committee

(Part 2, Division 3A, *Energy Safe Victoria Act 2005*)

The committee consists of 7 members appointed by the Minister, including independent Chair, Christine Williams. It meets 4 times a year and is tasked with providing advice to Energy Safe on regulatory functions within its scope pursuant to section 22C of the Energy Safe Victoria Act.

This includes but is not limited to:

- improving safety outcomes by using electricity safety management schemes, gas safety cases and pipeline safety management plans
- preventing and mitigating bushfires arising from electrical infrastructure/installations
- developing safety standards and compliance requirements for energy equipment, installations and electrical and gas fitting work
- understanding safety implications arising from the operation of renewable energy sources
- investigating events and incidents that have implications for energy safety
- advising and guiding the electrical and gas industry sectors and community in relation to energy safety
- advising the community on energy safety, where this advice is not already provided by the Electric Line Clearance Consultative Committee, Victorian Electrolysis Committee or any committees established by Energy Safe.

Other committees

Workforce Engagement Consultative Committee

(Section 8 *Energy Safe Victoria Act 2005*)

This committee consists of up to 15 independent industry members, plus the Chair, Energy Safe Commissioner Sarah McDowell. It meets 3 times a year and is tasked with providing strategic advice to Energy Safe Victoria in relation to broader workforce engagement strategies, including the promotion and sharing of best practices between gas and electricity network businesses, their workforces and contractors.

Future Trends Advisory Committee

(Section 8 *Energy Safe Victoria Act 2005*)

This committee consists of up to 10 independent members, plus the Chair, Energy Safe Commissioner Michelle Groves. It meets twice a year and provides expert advice on matters relating to future energy trends that may impact the electricity and gas sectors (production, distribution and equipment/appliances) in Victoria, and has regard to possible approaches to manage changes and new sources of risk.

Other consultative committees

In addition to formal committees, Energy Safe Victoria has staff who sit on various industry working groups, technical committees, forums and advisory groups; all of which provide additional support and guidance to our Executive Leadership Team on industry-wide areas of subject matter expertise.



Occupational health and safety

Energy Safe continues its strong commitment to occupational health and safety (OHS) by providing and maintaining a working environment that is safe and without risks to health, and by ensuring that our activities do not place our workers, contractors, and visitors at risk of injury or illness. Energy Safe also continues to support our workforce in a flexible, hybrid working environment, understanding that the wellbeing, health and safety of our workers is our highest priority.

Our OHS framework and health and wellbeing initiatives aim to enhance safety performance and ensure safe systems of work. Energy Safe's leadership and commitment to OHS matters are integrated into our operations with regular reviews of wellbeing, health and safety across the organisation.

Our focus has been on reviewing and enhancing our OHS management system, providing a structured and systematic approach to health and safety. The development of the OHS management system is supported by annual OHS targets and action plans.

Key programs and initiatives delivered in 2023–24:

- Energy Safe developed a strategic and risk-based OHS action plan to support our OHS commitment and address outcomes from an OHS framework external audit. The action plan considered our corporate strategy, previous OHS performance, changes in legislation and other legal requirements.
- We embedded a consultative process for the OHS action plan, consulting through the Executive Leadership Team and OHS Committee meetings on progress and outcomes.
- We developed an OHS document register to monitor the progress of documents from inception to endorsement.
- We developed an OHS training matrix which sets out the training requirements for each role at Energy Safe and the frequency of refresher training.
- We updated and implemented our incident management processes and procedures to set up clear requirements for reporting and classifying an incident, conducting investigations and implementing corrective actions.
- We continued to progress the initiatives of the OHS Action Plan 2022–23, which aligns with the organisation's corporate plan.
- Our wellbeing programs included influenza vaccinations (28 per cent of full-time equivalent staff attended), skin checks (17 per cent of full-time equivalent staff attended), and the 10,000-step challenge (16 per cent of full-time-equivalent staff participated). A discounted gym membership and healthy-mind-and-body hub was also available to staff.
- In consultation with management and health and safety representatives, we realigned our designated working groups, changing from 7 to 5 and increasing the health and safety representatives from 10 to 11.
- As part of our office relocation, we developed a risk register consisting of 37 potential hazards and risks. These risks were managed throughout the relocation project.
- We engaged a new personal protective equipment provider (PPE) to deliver a newly-developed PPE list.
- Our OHS Committee charter was reviewed and consulted on to align with current committee practices.

Incident management

In 2023–24, we received reports about 18 incidents compared to 12 in the previous year. There is an expectation of increased reporting each year as we encourage staff to notify us of hazards.

OHS key performance indicators

Measure	Key performance indicator	2021–22	2022–23	2023–24
Incidents	Number of incidents	9	12	18
	Rate per 100 full time equivalent (FTE)	4.18	5.58	8.00
Injuries	Number of injuries	9	7	9
	Rate per 100 FTE	4.18	3.25	4.00
Claims	Number of claims	1	3	5
	Number of lost-time claims	1	1	3
	Average cost per claim	\$41,410	\$1,472	\$4,792
Fatalities	Number of fatalities	0	0	0
Commitment	Per cent of objectives and targets completed	n/a	n/a	47.6
Consultation	Number of OHS Committee meetings	4	4	5
	Average per cent of participation	85.5	71.9	77.9
	Number of health and safety representatives	9	10	11
Risk Management	Number of internal audits/ workplace inspections	4	4 (1 internal audit)	4
	Number of hazards identified	16	57	14
OHS Management System	Number of procedures developed and approved	4	4	3
	Number of associated documents developed and approved	4	8	8
	Number of alerts or fact sheets issued	n/a	3	2
Training	Per cent of first aid training completed	100	100	100
	Per cent of health and safety representatives trained	100	100	100
Legislative compliance	Number of WorkSafe Victoria Notices issued	0	0	0

Note: The years are financial years from 1 July to 30 June.

Employment and conduct principles

Energy Safe is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably, based on the key selection criteria and other accountabilities without discrimination.

Employees have been correctly classified in workforce data collections.



03

Workforce data

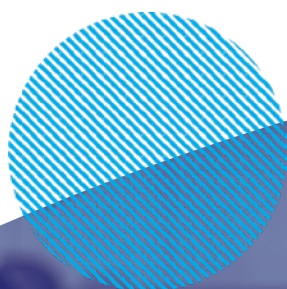
Public sector values and employment principles

Energy Safe is committed to and applies policies and practices that are consistent with the Victorian Public Sector Commission's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues.

We educate our staff on how to avoid conflicts of interest and how to respond to offers of gifts and offers of hospitality. We also make clear expectations in the areas of human rights and equal opportunity, following the Public Sector Values and Employment principles.

All new staff must complete compliance training, including training on the Victorian Public Service code of conduct and the (Victorian) Charter of Human Rights and Responsibilities.

We continue to use policies and practices that are consistent with the Victorian Public Sector Commission's employment standards. These policies and practices provide fair treatment, career opportunities and the early resolution of workplace issues.



Workforce diversity and inclusion

We are committed to fostering a diverse and inclusive culture consistent with our values, increasing the diversity of our workforce and strengthening the culture of inclusiveness.

In 2023–24, the Diversity and Inclusion Council, chaired by our Chief Executive Officer continued to deliver initiatives, events and programs aimed at raising awareness and removing the stigma surrounding differences.

These included:

- participating in R U OK day
- celebrating International Day Against Homophobia, Transphobia and Biphobia (IDAHOBIT)
- celebrating International Day of People with Disability
- participating in the Pride March 2024
- celebrating International Women's Day
- celebrating Cultural Diversity Week.

We continued to roll out our Diversity and Inclusion strategy, which complements and broadens the activities outlined in our Gender Equality Action Plan. Our aim over the life of this strategy is to move to a leader-led approach which is typically characterised by committed leaders challenging the status quo and addressing barriers to inclusion, role modelling positive behaviours and creating the conditions that influence employee behaviours and mindsets.

As of 30 June 2024, our workforce comprised 246 employees with an overall gender composition of 59 per cent men and 41 per cent women. The 3 Commission roles and the CEO role are held by women. The representation of women at the Executive Leadership Team level is 60 per cent.



Gender Equality Action Plan

Our Gender Equality Action Plan (GEAP) has 4 strategic themes that align with and support the requirements of the *Gender Equality Act 2020*:

- ensure visible leadership commitment and accountability for diversity and inclusion
- develop inclusive leadership capability
- embed diversity and inclusion principles into HR policies and practices
- improve gender balance in leadership and at all levels of the organisation through talent attraction, development and retention strategies.

Each of the focus areas supports us to make reasonable and material progress in relation to the workplace gender equality indicators as required by the Gender Equality Act.

We made significant progress against the Gender Equality Action Plan.

Key initiatives included:

- participating in the Pride March 2024 to deepen our support and allyship for the lesbian, gay, bisexual, transsexual, intersex, queer and more (LGBTQIA+) community at Energy Safe
- celebrating key diversity dates on the diversity calendar including International Women's Day, IDAHOBIT, International Day of People with Disability and Cultural Diversity Week
- delivering education sessions to all leaders and recruitment panel members to reduce potential bias through the recruitment process and strengthen opportunities to recruit and promote diverse candidate pools

- conducting a panel discussion facilitated by Scope Disability to raise awareness and understanding of the common challenges and experiences of people with disability and to assist staff to feel confident about interacting respectfully with people with disability
- providing ongoing coaching and training to all staff to build competency around diversity and inclusive practices
- completed Gender Equality Action Plan Progress Report for submission to the Commission for Gender Equality in the Public Sector
- implementing actions from the gender impact assessments on the Continuous Professional Development Project and our website, 2 key projects that have a direct and significant impact on the public.

Strategies and measures for achieving workplace gender equality

In 2023–24, we appointed women to the following key leadership roles:

- Commissioner and Chair
- Strategic Communications manager
- Prosecution manager
- Business Improvement manager
- Engagement and Partnerships manager
- Portfolio Management Office manager
- Head of Investigations.

In addition, 2 women were appointed as Remuneration Committee members.

Comparative workforce data

Details of employment levels in June 2024

	All employees		Ongoing		Fixed term and casual		
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
GENDER							
Male	145	144.06	134	3	136.06	8	8
Female	101	95.7	68	18	81.3	15	14.4
Self-described	0	0	0	0	0	0	0
AGE							
15–24	0	0	0	0	0	0	0
25–34	28	28	22	0	22	6	6
35–44	81	79.1	65	7	70.1	9	9
45–54	62	60.05	53	7	58.05	2	2
55–64	61	58.91	51	6	55.31	4	3.6
65+	14	13.7	11	1	11.9	2	1.8
Executive	5	5	0	0	0	5	5
Senior manager	20	19.5	18	1	18.5	1	1
Administration and customer service	139	133.26	102	20	116.85	17	16.4
Field staff	82	82	82	0	82	0	0
Total employees	246	239.76	202	21	217.36	23	22.4

Note: Our 3 Commissioners are not included in this table.

Details of employment levels in June 2023

	All employees		Ongoing			Fixed term and casual		
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
GENDER								
Male	137	136.6	125	0	125	12	11.6	
Female	87	80.9	51	18	63.4	18	17.5	
Self-described	0	0	0	0	0	0	0	
AGE								
15–24	0	0	0	0	0	0	0	
25–34	21	21	15	0	15	6	6	
35–44	78	75.2	63	7	67.5	8	7.7	
45–54	52	50.2	38	0	38	7	7	
55–64	60	58.6	50	4	52.6	6	6	
65+	13	12.5	4	0	4	2	1.6	
Executive	5	5	0	0	0	5	5	
Senior manager	20	19.4	18	1	18.4	1	1	
Administration	108	102.1	68	17	80	23	22.1	
Field staff	91	91	90	0	90	1	1	
Customer service								
Total employees	224	217.5	176	18	188.4	30	29.1	

Note: Our 2 Commissioners are not included in this table.

04

Other disclosures

Responding to government priorities

– Statement of Expectations

On 29 June 2023 the Minister for Energy and Resources issued a Statement of Expectations for Energy Safe Victoria which sets the performance objectives for a 2-year period.

These were:

- efficient delivery of risk-based regulation
- compliance-related assistance and advice
- transition to renewable energy
- safety advocacy role
- cyber security
- operational efficiencies.

Efficient delivery of risk-based regulation

In response to the above performance objectives our Regulatory Operational division focused on responding to the increased risk related to energy safety in residential settings. This included:

- 210 residential solar installations audits
- 12 desktop audits conducted of lithium-ion batteries
- 331 online stores audited for gas appliances
- 2 voluntary recalls for gas appliances.

Energy Safe continued to focus on the high risk of bushfires caused by electrical networks. We reviewed Bushfire Mitigation Plans of duty holders and undertook 10 audits of major electricity companies and specified operators. In addition, the last REFCL was commissioned in November 2023 and the 2023–24 bushfire season was the first time the full fleet of REFCLs had been deployed. See [page 19](#) for details.

There were no catastrophic fires during 2023–24 and we continued to apply our regulatory powers against duty holders for noncompliance. This included the successful prosecution of Powercor Australia for failing to maintain controls in hazardous bushfire risk areas. Information about our investigations is on [page 37](#) and our prosecutions is available on [pages 18, 56 and 57](#).

Compliance-related assistance and advice

We also ensured that our compliance policy and priorities were published on our website, which includes information on achieving compliance and standards of work. Information was also made available at targeted seminars involving duty holders. This included presentations to:

- apprentices at TAFE
- gas and electrical senior management forums
- members of the public at community gatherings.

More information about our industry guidance and education processes is detailed on [page 27](#).

Transition to renewable energy

As the industry transitions to renewable energy, in 2023–24 we formalised our renewable energy team. In addition, Energy Safe developed a risk categorisation framework for renewable energy facilities. This framework details which facilities have a higher risk of failure or incident. Energy Safe started inspecting these large-scale renewable facilities for compliance and will continue the inspection program alongside WorkSafe and the Environment Protection Agency.

During 2023–24, we conducted 14 audits of renewable energy and new technology facilities, 5 solar, 7 wind and 2 battery installations. The total included 3 joint inspections with our fellow regulators. More information about our work on renewable energy safety can be found on [pages 20 and 21](#).

Safety advocacy role

Throughout the year Energy Safe took a leading role in advocacy at a national level, particularly in shaping industry standards. We have actively chaired and participated in standards development organisations, driving progress and ensuring safe regulatory frameworks. Including:

- Standards Australia (SA)
- Joint Australia and New Zealand Standards (AS/NZS)
- International Organization for Standardization (ISO)
- International Electrotechnical Commission (IEC)

In addition, our representative is the convenor of the international advisory committee.

Cyber security

Cyber security remains an ongoing priority for Energy Safe. As at 30 June 2024, we achieved 78 per cent compliance towards the Victorian Protective Data Security Standards with full compliance anticipated in the 2024–2026 Office of the Victorian Information Commissioner reporting period. We increased our cyber security headcount to 2 full time staff in April 2024. Additionally, we established a security operations centre through a partnership with a supplier to increase our cyber incident detection capability.

Operational efficiencies

As Energy Safe transitioned to respond to the changing energy landscape, this shift gave us the opportunity to pursue operational efficiencies. We:

- started migration of our information technology systems from our legacy environment (datacentre) to a Microsoft-hosted cloud platform
- moved our website onto the Victorian Government's standard platform
- implemented Microsoft Dynamics 365 Customer Engagement Platform foundations.

Our new operating model also ensures we are making more effective use of our staff. Finally, our consolidation of our 2 offices into a single site office will deliver significant organisational efficiencies. More information about our investment in digital systems is on [page 31](#). Details about our office consolidation and new operating model is on [page 30](#).

Electricity safety directions

We issued 12 directions under section 141 of the *Electricity Safety Act 1998* during 2023–24. This consisted of 9 under section 141(2) and 3 under section 141AC (2).

On 27 September 2023, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction under section 141(2) of the *Electricity Safety Act*. The direction prohibited the reconnection of an unsafe battery energy storage system and solar array at a residential property in Werribee by anyone other than a licensed electrical worker. The direction was issued to address safety concerns posed by the system which was powering the residence and feeding electricity back into the grid.

On 27 November 2023, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction under section 141(2) of the *Electricity Safety Act*. The direction followed a safety concern created by the conditions of Permits 50365 and 50374 issued by AusNet to landowners to operate vehicles and equipment in the easement of sections of the Ballarat to Bendigo 220 kilovolt transmission line. The direction required a 3.2-meter safety clearance distance to be maintained at all times.

On 8 December 2023, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction under section 141(2) of the *Electricity Safety Act*. The direction followed an investigation into a serious electrical incident involving a fire at the Cohuna Solar Farm on 20 November 2023. The direction required the solar farm owner to disconnect and cease to use all items of specified equipment, report failures of overheating of specified equipment to Energy Safe and notify Energy Safe of the details of any proposed technical solution 5 days prior to implementation.

On 22 December 2023, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction under section 141(2) of the *Electricity Safety Act*. The direction followed the detection of stray current emanating from the Pakenham East train depot and affecting the Beach Energy pipeline. The direction required the Department of Transport and Planning to implement measures that reduce the stray current effects on the pipeline to acceptable levels. The department also had to

keep Energy Safe informed of its progress.

On 19 January 2024, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction under section 141(2) of the Electricity Safety Act. The direction was issued to disconnect a battery energy storage system at a residential property in Clifton Springs. Reconnection was prohibited by anyone other than a licensed electrical worker on the condition that a certificate of electrical safety was issued and provided to Energy Safe.

On 28 February 2024, Chairperson Monique Conheady issued a direction to Cohuna Solar Farm pursuant to section 141(2)(e) of the Electrical Safety Act. It followed an investigation into a serious electrical incident involving a fire at the solar farm on 20 November 2023. It also followed a prior direction issued to the solar farm in relation to the fire. The 28 February direction was to implement a long-term solution to the safety issue by 15 November 2024 and maintain safety before it was implemented.

On 22 February 2024, Chairperson Monique Conheady issued a direction to AusNet under section 141AC(2) of the Electrical Safety Act following the collapse of transmission towers near Anakie on 13 February 2024. The direction ordered AusNet to preserve and retain the transmission towers and footings in order to preserve potential evidence which will be considered as part of the investigation into the collapse of the towers.

On 7 March 2024, Chairperson Monique Conheady issued a direction to AusNet under section 141AC(2) of the Electricity Safety Act, directing AusNet to preserve and retain the collapsed transmission towers footings following the towers collapse near Anakie on 13 February 2024. The new direction was issued to preserve the footing which remained on site and will be considered as part of the ongoing investigation into the incident.

On 3 April 2024, Chairperson Monique Conheady issued a direction to the Cohuna Solar Farm as trustee for the Cohuna Solar Farm Trust under section 141AC(2) of the Electricity Safety Act, directing Cohuna Solar Farm to preserve and retain specified equipment located at the farm, which related to a fire and separate overheating incident which occurred at the farm on 28 March 2024.

On 9 April 2024, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction to Cohuna Solar Farm under section 141(2)(d) and (e) of the Act, requiring Cohuna Solar Farm to cease using a range of equipment

unless supervised or authorised by an Energy Safe Enforcement Officer. The direction also required Cohuna Solar Farm to commission an independent report that assessed the solar farm's compliance with legislative obligations in relation to the design, operation and maintenance of the installation.

On 10 April 2024, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction to a resident under section 141(2)(e) in relation to a do-it-yourself battery energy storage system which posed a safety risk in the form of possible fire or injury such as electrocution. Under the direction, the resident was not permitted to reconnect the system unless the connection was carried out by a licensed electrical worker.

On 27 June 2024, CEO Leanne Hughson, as a delegate of the Chairperson of Energy Safe, issued a direction to a resident under section 141(2) to AusNet directing the company to identify lines spans with less than 7.5 metres ground clearance when the conductor is at its maximum operating temperature. The direction also required AusNet to write to all landowners and occupiers with low spans and inform them of their obligations and the risks associated with these spans.

Gas safety directions

We issued no directions under section 107 of the *Gas Safety Act 1997* during 2023–24.

Prosecutions

We completed 17 prosecutions during the 2023–24 financial year.

On 10 July 2023 at Melbourne Magistrates' Court, **Hydroxygas Pty Ltd** and its director **Renaud Kobrynski**, were found guilty of failing to comply with a Direction issued by the Chairperson of Energy Safe under section 141(2) of the Electricity Safety Act, relating to an unsafe electrical installation of a battery energy storage system at a Footscray Factory. Mr Kobrynski was also found guilty of carrying out unlicensed electrical installation work. Hydroxygas and Renaud Kobrynski were convicted and fined \$50,000 and \$10,000 respectively for the offending.

On 10 August 2023 at Ringwood Magistrates' Court, **J.L. Hutt Electrical** and its director, **Jason Hutt**, together with **Austin Calverley** (licensed electrical installation worker and onsite supervisor), pleaded guilty to various offences relating to the electric shock and resulting injuries sustained by an unsupervised electrical apprentice. J.L. Hutt Electrical and Jason Hutt received fines and incurred costs totalling \$30,599 in relation to the prosecutions brought by Energy Safe and WorkSafe. Austin Calverley was fined \$2,500.

On 17 August 2023 at Frankston Magistrates' Court, **Mark Haworth** pleaded guilty to failing to comply with a prescribed standard, which resulted in the gas installation being unsafe for use. It was also identified that he was not licensed to carry out the gasfitting work. The accused was fined \$600 without conviction.

On 11 October 2023 at Frankston Magistrates' Court, **United Energy** pleaded guilty to 24 charges under section 90 of the Electricity Safety Act for failing to maintain vegetation clearances around powerlines in its electricity network on the Mornington Peninsula and south-east of Melbourne during the 2021 to 2022 bushfire season. United Energy was convicted and ordered to pay an aggregate fine of \$80,000 plus costs of \$13,200.

On 19 October 2023 at Dromana Magistrates' Court, **John Coburn**, a Victorian Building Authority-licensed plumber and gasfitter, pleaded guilty to 6 charges under the Gas Safety Act for offences in relation to a communal gas dryer at a holiday park in Dromana. The accused was fined \$1,500 without conviction.

On 30 November 2023 at Sunshine Magistrates' Court, **Your Local Plumbing Group Melbourne Pty Ltd** pleaded guilty to recklessly tampering with a gas meter assembly and failure to comply with prescribed standards. The company was convicted and fined \$20,000.

On 12 February 2024 at Sunshine Magistrates' Court, **Taylor Brady** pleaded guilty to recklessly tampering with a gas meter assembly and failure to comply with prescribed standards. Mr Brady, a registered gasfitter, removed the outlet bend from the gas meter assembly and left the property without replacing the outlet bend on the gas meter assembly, sealing the outlet of the gas meter assembly or sealing the gas fitting line. The accused was fined \$1,800.

On 8 March 2024 at Shepparton Magistrates' Court, **Powercor Australia** pleaded guilty to 105 offences of the Electricity Safety Act and the Electricity Safety (Electric Line Clearance) Regulations 2020. Powercor Australia failed to inspect 4866 spans of electric line in hazardous bushfire risk areas around Shepparton and Horsham before the start of the 2021 to 2022 fire danger period. Energy Safe also detected 140 instances where Powercor Australia had allowed vegetation to grow too close to powerlines in country Victoria. A separate failure to clear vegetation which was too close to powerlines in Glenmore ignited a fire in February 2023 that burnt 185 hectares of property and destroyed farming infrastructure and machinery. Powercor Australia was fined an aggregate sum of \$2.1 million for all offences.

On 20 March 2024 at Melbourne Magistrates' Court, **Luke Warren** was found guilty of 46 charges under section 148(1) of the Electricity Safety Act in relation to providing false and misleading information to Energy Safe. The offences related to submitting false information in 46 Certificates of Electrical Safety. The accused was found guilty, fined \$3,000 and ordered to pay \$1,500 in costs. The matter is subject to an appeal to the County Court against the conviction and sentence.

On 25 March 2024 at Dandenong Magistrates' Court, **Seacombe Pty Ltd** and **Marcel Rappold** each pleaded guilty to a charge under the *Building Act 1993* in relation to the servicing and repair work on a gas log fire undertaken by Mr Rappold on Seacombe's behalf. Mr Rappold was not licenced or registered to perform this work. Seacombe Pty Ltd was convicted and fined \$4,000. Marcel Rappold was convicted and fined \$5,000.

On 28 March 2024 at the Melbourne Magistrates' Court, Energy Safe **withdrew** all charges against an accused person. The offences were in relation to a serious electrical incident in March 2021 which resulted in the death of an apprentice electrician. The accused person was a former co-director of an accused company, and charges had been initiated against the accused in his personal capacity on the basis that the accused was knowingly concerned with or a party to the offences allegedly committed by the company. The charges were withdrawn after exculpatory evidence in relation to the accused's role in the company came to light. All charges against the company, its co-director and a related company remain on foot.

On 18 June 2024 at the Mildura Magistrates' Court, **a fourth-year apprentice electrician** pleaded guilty to one charge under section 221D of the Building Act 1993 for carrying out plumbing work of a particular class without being licensed or registered by the Victorian Building Authority to carry out such work. The accused, who was not a licensed Type B gasfitter, replaced the fan contactor on a Type B gas appliance. Located at an orchard and produce processing facility, the appliance was an industrial almond drying machine with a very large energy output. It was later discovered that the fan, connected to the fan contactor replaced by the accused, was rotating in reverse, contributing to a potentially serious safety risk. The court imposed an adjourned undertaking and ordered the accused to pay a \$700 Court Fund contribution.

Local Jobs First – Victorian Industry Participation Policy

The *Local Jobs First Act 2003* brings together the Victorian Industry Participation Policy and Major Project Skills Guarantee policy which were previously administered separately. Our procurement objective was to incorporate Local Jobs First requirements into our procurement activity.

We are required to apply the Local Jobs First policy to all statewide and metropolitan Melbourne projects valued at \$3 million or more, or \$1 million or more for projects in regional Victoria.

During 2023–24, we conducted one procurement activity that triggered the threshold for Local Jobs First initiatives. This was an engagement with Infosys for implementation services, commencing in September 2023 for an initial period of 18 months. It had an approved contract value of \$3.8 million (excluding GST).

Major contracts

We did not enter any contracts with a value of more than \$10 million in 2023–24.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest.

Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

We continue to comply with the requirements of the Competition Principles Agreement and the Competition and Infrastructure Reform Agreement.



Social procurement

As part of our responsibility as a Victorian Government agency, we are aligned with the Victorian Government's Social Procurement Framework.

When responding to tenders, we now request that suppliers indicate their levels of commitment to social procurement, women's equality, diversity, safe and fair workplaces and any other initiatives that may apply to their organisation. By aligning with the government framework, we aim to increase the value of procuring goods and services, with outcomes greater than their monetary value.

We also proactively target social procurement providers for purchasing activities when formal tenders are not required, to create value within the social enterprise supply chain.

During 2023–24, we spent \$297,615 with 8 suppliers on activities that benefited social enterprises, particularly those providing opportunities for Aboriginal Victorians and Victorians with disability or disadvantage. Of note were engagements with Apprentices Group Australia, to provide training services to deliver skills maintenance courses to licenced electrical workers, and Sharetree Inc for cultural enhancement training.

Disclosure of emergency procurement

In 2023–24 emergency procurement was not activated, resulting in nil spending under emergency procurement protocols.

Disclosure of procurement complaints

In 2023–24 there were no complaints about procurement activities undertaken by Energy Safe.

Government advertising expenditure

In 2023–24, we delivered 4 major advertising campaigns with a total spend of \$1.45 million (excluding GST).

Campaign name	Campaign summary	Start/ end date	Advertising (media) expenditure ('000)	Creative and campaign development ('000)	Research expenditure ('000)	Post-campaign evaluation expenditure ('000)	Print and collateral expenditure ('000)	Other campaign expenditure ('000)	Total ('000)
Be Sure	The Be Sure campaign raises awareness about the dangers of carbon monoxide in open-flued gas heaters. The campaign focuses on reaching people who are renovating and weather-sealing older homes with a call to action of getting your heater serviced every 2 years by a qualified gasfitter.	23 July to 31 August 2023 4 May to 30 June 2024	Approved: \$580 Actual: \$580	Planned: \$200 Actual: \$200	Planned: n/a Actual: n/a	Planned: \$40 Actual: \$40	Planned: n/a Actual: n/a	Planned: n/a Actual: n/a	Planned/ approved: \$820 Actual: \$820^
Keeping you Energy Safe. Always.	Certificates of Electrical Safety are a key regulatory tool that assures Victorians that their electrical work meets standards and regulations. The campaign addresses the low community awareness about the requirement for electricians to issue a certificate for electrical work.	3 March to 28 April 2024	Approved: \$150 Actual: \$150	Planned: \$100 Actual: \$100	Planned: n/a Actual: n/a	Planned: n/a Actual: *	Planned: n/a Actual: n/a	Planned: n/a Actual: n/a	Planned/ approved: \$250 Actual: \$250

Campaign name	Campaign summary	Start/ end date	Advertising (media) expenditure ('000)	Creative and campaign development ('000)	Research expenditure ('000)	Post- campaign evaluation expenditure ('000)	Print and collateral expenditure ('000)	Other campaign expenditure ('000)	Total ('000)	Planned/ approved:	Actual:
										\$180	\$180
Show your solar love	To encourage maintenance of home solar systems by a licensed electrician every 2 years.	18 February to 7 April 2024	Approved: \$150 Actual: \$150	Planned: n/a Actual: n/a	Planned: n/a Actual: n/a	Planned: \$30 Actual: \$30	Planned: n/a Actual: n/a	Planned: n/a Actual: n/a	Planned/ approved: \$180	Actual: \$180	
Electrical DIY (Don't Do It Yourself)	To encourage non-electricians to call an electrician to carry out all electrical work in the home, rather than attempt to do the work themselves as it is dangerous and illegal for non-licensed people.	29 April to 6 June 2024	Approved: \$150 Actual: \$150	Planned: n/a Actual: n/a	Planned: \$50 Actual: \$50	Planned: * Actual: *	Planned: n/a Actual: n/a	Planned: n/a Actual: n/a	Planned/ approved: \$200	Actual: \$200	

Notes:

All figures are exclusive of GST.

^ The Be Sure expenditure includes a \$600,000 grant from DEECA to support the media buy and artwork for the campaign.

* The evaluation will be completed in the 2024–25 financial year.

Asset management accountability framework maturity assessment

The following section summarises our assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The framework is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance website.

Energy Safe’s target maturity rating is ‘competence’, meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Leadership and accountability (requirements 1-19)

Energy Safe has met its target maturity level in this category.

Planning (requirements 20-23)

Energy Safe has met its target maturity level in this category.

Acquisition (requirements 24 and 25)

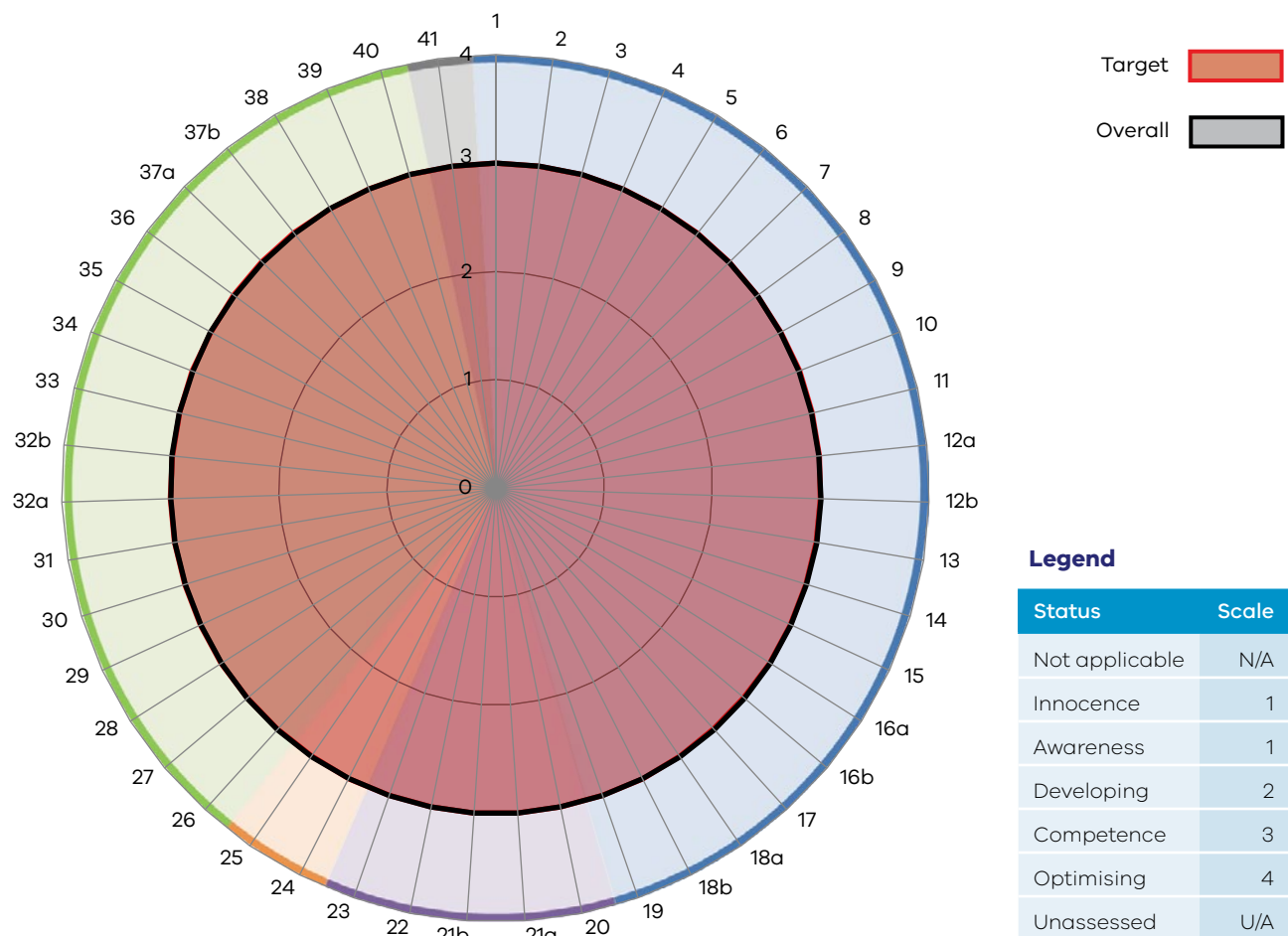
Energy Safe has met its target maturity level in this category.

Operation (requirements 26-40)

Energy Safe has met its target maturity level in this category.

Disposal (requirement 41)

Energy Safe has met its target maturity level in this category.



Information communication technology expenditure

For 2023–24, we had a total information communication technology (ICT) expenditure of \$10,556,100, with the details shown below.

Total ICT expenditure

(\$ thousand)

All operational ICT expenditure		ICT expenditure related to projects to create or enhance ICT capabilities	
Business-as-usual (BAU) ICT expenditure	Non-BAU ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
\$6,927	\$3,629	\$733	\$2,896

ICT expenditure refers to our costs in providing business-enabling ICT services. It consists of business-as-usual (BAU) ICT expenditure and non-BAU ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing our current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Cost of machinery-of-government changes

Energy Safe did not have a machinery-of-government change during the 2023–24 financial year, Hence, we did not incur any costs associated with machinery-of-government changes.

Reviews and studies expenditure

Energy Safe did not incur any direct costs attributable to reviews and studies during the 2023–24 financial year.

Consultancy expenditure

Details of consultancies under \$10,000

In 2023–24, we engaged 12 consultancies for services with total fees payable of less than \$10,000.

The total expenditure incurred in relation to these consultancies was \$43,224 (excluding GST).

Details of consultancies more than \$10,000

In 2023–24, we engaged 22 consultants for services with total fees payable of greater than \$10,000.

The total expenditure incurred in relation to these consultancies was \$1,226,089 (excluding GST). Details of the consultancies are listed below.

Consultant	Purpose	2023–24 spend (ex GST)
Jones Lang LaSalle Corporate	Workplace relocation, change management and lease transition	\$245,219
Velrada Capital Pty Ltd	Microsoft Dynamics consulting services	\$159,600
Bendigo and Districts Fire Brigades	Bushfire rating electrical line clearance hazard mapping	\$122,893
Business Aspect Group	Crisis management strategy	\$105,525
Monash University	Electrical Equipment Safety Scheme: Collaborative science projects	\$99,500
Victorian Chamber of Commerce and Industry	Industry and jurisdictional comparison on employment conditions	\$53,694
La Trobe University	Collaborative science projects	\$50,000
Brady Heywood Pty Ltd	Bushfire risk strategic action plan	\$39,949
GHD Pty Ltd	Technical paper review on risk landscape and review of power generators	\$39,500
Workforce Advantage Pty Ltd	Enterprise bargaining and agreement	\$39,000
Creative Strategic Thinking Pty Ltd	Automated web performance optimization process	\$28,350
Strategic Architects Pty Ltd	Digital strategy consultation	\$28,000
E-Oz Energy Skills Australia	Industry skills council for the energy sector	\$27,500
Unisys Australia Pty Limited	IT service management framework	\$27,475
Mott MacDonald Australia Pty Ltd	No Go Zone safety action plan	\$27,455
Paper Giant	People Matter action plan review and consultation	\$25,200
Sonia Law	Board Evaluation 2024	\$24,500
AgileXperts	Electrical Equipment Safety Scheme project review	\$23,375
Vative	Value Stream mapping and design	\$16,120
Future Fuel CRC Ltd	Contribution on national future fuel strategy study	\$15,000
ShineWing Australia Pty Ltd	Audit and fringe benefits tax preparation	\$15,000
Jane Naughton Consulting Services	Executive assessment consulting services	\$13,235
Total		\$1,226,089

Freedom of information

The *Freedom of Information Act 1982* (FOI Act) allows members of the public a right of access to information held by Energy Safe Victoria. The purpose of the FOI Act is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers and other bodies subject to the FOI Act.

An applicant has the right to apply for access to information held by Energy Safe. This comprises documents we created and those supplied to us by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and video tapes. Information about the type of material we produce is available on our website under Part II Information Statement.

The FOI Act allows Energy Safe to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include Cabinet documents, some internal working documents, law enforcement documents, documents covered by legal professional privilege such as legal advice, personal information about other people, and information provided to us in confidence.

The FOI Act was amended on 1 September 2017 to reduce the processing time for Freedom of Information (FOI) requests received from 45 to 30 days.

However, when external consultation is required under sections 29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times.

However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request. If an applicant is not satisfied by a decision made by

Energy Safe, under section 49A of the FOI Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

Access to documents can be obtained through a written request to Energy Safe's FOI Officer, as detailed in section 17 of the FOI Act. FOI requests can be lodged electronically at foi@energysafe.vic.gov.au or as a written request to our FOI Officer.

After 1 July 2024, there will be an application fee of \$32.70. Access charges may also be payable if the document pool is large and the search for material is time consuming. We have the discretion to waive application fees in cases of financial hardship and can waive access charges in prescribed circumstances.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of Energy Safe Victoria should be addressed to:

The FOI Officer
Energy Safe Victoria
PO Box 262
Collins Street West VIC 8007

Email: foi@energysafe.vic.gov.au

FOI statistics

During 2023–24, Energy Safe received 31 FOI requests. Of these requests:

- 17 were from legal firms or insurance companies
- 14 were from members of the public.

We made 30 FOI decisions during the 12 months to 30 June 2024. Of these:

- 18 requests were granted in full
- 2 decisions were granted in part
- 5 were denied in full
- 5 were decided as 'no documents'.⁵

⁵ We make a 'no documents' decision if we do not have any documents in our possession or when we had documents in our possession, but we destroyed them in accordance with the Public Records Office of Victoria's Retention and Disposal Authority.

FOI timelines

Of the 30 FOI decisions in 2023–24:

- 24 decisions were made within the statutory 30 days
- 4 decisions were made within an extended 30–45-day period
- 2 decisions were made within 46–90 days
- no decisions were made in more than 90 days.

The average time to finalise the requests in 2023–24 was 27 days.

Energy Safe was not subject to any reviews from OVIC or involved in any Victorian Civil and Administrative Tribunal FOI proceedings in 2023–24.

Further information

Further information regarding the operation and scope of a FOI can be obtained from the FOI Act and through the OVIC website (ovic.vic.gov.au).

Compliance with the *Public Interest Disclosures Act 2012*

The Public Interest Disclosures Act (PID Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body. Energy Safe is a public body for the purposes of the PID Act.

The PID Act establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

Energy Safe is a public body for the purposes of the PID Act. It does not tolerate improper conduct by employees, nor reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Energy Safe will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

What is a public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body. Improper or corrupt conduct involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption. 'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

Energy Safe has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about Energy Safe Victoria, its members, officers, or employees. These procedures are available on our website: energysafe.vic.gov.au.

How do I make a public interest disclosure?

Energy Safe is not able to receive public interest disclosures.

You can make a public interest disclosure about Energy Safe, its members, officers, employees or contractors by contacting Independent Broad-Based Anti-Corruption Commission (IBAC). IBAC's website has a secure disclosure process which also allows you to make anonymous disclosures.

Disclosures can be made to:

IBAC

Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

GPO Box 24234, Melbourne Victoria 3001

1300 735 135

www.ibac.vic.gov.au

Compliance with the *Building Act 1993*

We do not own or control any government buildings and consequently are exempt from notifying our compliance with the building and maintenance provisions of the *Building Act 1993*.

Environmental reporting

Energy Safe purchases electricity through the state purchase contract and we do not purchase any additional electricity offsets. Our vehicles are all owned and managed by Vic Fleet through state purchase contracts. We do not need to report in-depth on our environmental impacts as this information is included in whole-of-Victorian-Government reporting.

Privacy legislation

We are subject to the *Privacy and Data Protection Act 2014 (Vic)* and the *Health Records Act 2001 (Vic)* and are committed to protecting the privacy of all personal and health information that we handle while performing our functions.

We handle personal information to perform our role as Victoria's independent safety regulator for electricity, gas and pipelines.

Further information is available in our Privacy Policy which is available on our website energysafe.vic.gov.au.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 issued under section 8 of the Financial Management Act, details in respect of the items listed below have been retained by us and are available (in full) on request, subject to the provisions of the FOI Act:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of publications produced by Energy Safe Victoria about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- a list of Energy Safe Victoria's major committees, the purposes of each committee and the extent to which the purposes have been achieved
- a general statement on industrial relations within Energy Safe Victoria, including details of time lost through industrial accidents and disputes
- details of all consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

The information is available on request from:

- The FOI Officer
Energy Safe Victoria
Tel: (03) 9203 9700

Email: foi@energysafe.vic.gov.au

Additional information included in annual report

Details of the following items have been included in this annual report, on the pages indicated below:

- details of major promotional, public relations and marketing activities undertaken by Energy Safe Victoria to develop community awareness of the agency and its services – [pages 60 and 61](#).
- details of assessments and measures undertaken to improve the occupational health and safety of employees – [page 43](#).
- a list of consultants paid more than \$10,000 – [page 64](#).

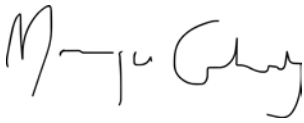
Information that is not applicable to Energy Safe Victoria

The following information is not relevant to us for the reasons set out below:

- a declaration of shares held by senior officers — no shares have ever been issued in Energy Safe Victoria's name
- details of any major external reviews carried out on Energy Safe Victoria — no major external reviews were done in 2023–24
- details of major research and development activities undertaken by Energy Safe Victoria — no major research and development was undertaken in 2023–24.

Financial management compliance attestation

I, Monique Conheady, on behalf of the Responsible Body, certify that Energy Safe Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and instructions.



Monique Conheady

Commissioner Chair
Energy Safe Victoria

25 September 2024

Financial statements



Financial statements

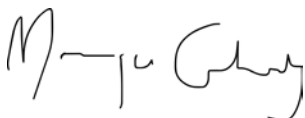
Responsible Body's, Accountable Officer's and Chief Financial Officer's declaration

The attached financial statements for the Victorian Energy Safety Commission (referred to as Energy Safe Victoria) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of Energy Safe Victoria at 30 June 2024.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 23 September 2024.



Monique Conheady
Commissioner and Chairperson
23 September, 2024



Leanne Hughson
Chief Executive Officer
23 September, 2024



Matthew Beattie
Chief Financial Officer
23 September, 2024

Comprehensive operating statement for the financial year ended 30 June 2024

(\$ thousand)

	Notes	2024	2023
CONTINUING OPERATIONS			
Income from transactions			
Levy income	2.1	45,811	32,622
Fee income	2.2.1	23,062	22,978
Grant income	2.2.2	5,180	2,154
Interest and other income	2.3	1,356	953
Total income from transactions		75,409	58,707
Expenses from transactions			
Employee benefits	3.1.1	40,975	37,850
Compliance audit expenses		2,359	3,332
Public relations and advertising		2,422	2,191
Motor vehicles		489	493
Rent and outgoings		608	405
Computer expenses		4,490	3,731
Consulting fees		1,131	1,743
Contractors*		12,466	9,600
Depreciation	4.1.1	4,575	4,496
Other operating expenses	3.3	4,695	3,823
Total expenses from transactions		74,210	67,664
Net result from transactions (net operating balance)		1,199	(8,957)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Other loss from other economic flows**		(223)	(153)
Total other economic flows included in net result		(223)	(153)
NET RESULT		976	(9,110)
COMPREHENSIVE RESULT		976	(9,110)

* Contractor spend mainly relates to costs for the Transformation Program and funded projects

** Net loss arising from revaluation of long service liability

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Balance sheet

as at 30 June 2024

(\$ thousand)

	Notes	2024	2023
ASSETS			
Financial assets			
Cash and cash equivalents	6.1	18,166	14,717
Receivables	5.1	966	1,449
Contract assets	5.2	509	458
Total financial assets		19,641	16,624
Non-financial assets			
Plant and equipment	4.1	1,402	409
Right-of-use asset	4.2	692	1,462
Intangible assets	4.3	6,835	6,794
Prepayments		2,586	1,321
Total non-financial assets		11,515	9,986
Total assets		31,156	26,610
LIABILITIES			
Employee related provisions	3.1.2	8,311	7,508
Payables	5.3	6,615	3,364
Contract liabilities	5.4	3,254	2,745
Lease liability	6.2.7	744	1,737
Total liabilities		18,924	15,354
Net assets		12,232	11,256
EQUITY			
Accumulated surplus		8,446	7,470
Physical asset revaluation surplus	8.1	176	176
Contributed capital		3,610	3,610
Net worth		12,232	11,256

The above balance sheet should be read in conjunction with the notes to the financial statements.

Cash flow statement

for the financial year ended 30 June 2024

(\$ thousand)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from other entities		69,362	54,713
Interest received		1,298	921
Total receipts		70,660	55,634
Payments			
Payments to suppliers and employees		(61,351)	(59,243)
Total payments		(61,351)	(59,243)
Net cash flows (used in)/from operating activities	6.1.1	9,309	(3,609)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(4,137)	(1,398)
Sale of non-financial assets		-	7
Net cash flows used in investing activities		(4,137)	(1,391)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease repayments		(1,723)	(1,686)
Net cash flows used in financing activities		(1,723)	(1,686)
Net increase/(decrease) in cash and cash equivalents		3,449	(6,686)
Cash and cash equivalents at the beginning of the financial year		14,717	21,403
Cash and cash equivalents at the end of the financial year	6.1	18,166	14,717

The above cash flow statement should be read in conjunction with the notes to the financial statements.

Statement of changes in equity

for the financial year ended 30 June 2024

(\$ thousand)

	Physical asset revaluation surplus	Accumulated surplus	Contributed capital	Total
Balance at 1 July 2022	176	16,580	3,610	20,366
Net result for the year	-	(9,110)	-	(9,110)
Balance at 30 June 2023	176	7,470	3,610	11,256
Net result for the year	-	976	-	976
Balance at 30 June 2024	176	8,446	3,610	12,232

The above statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes to the financial statements for the financial year ended 30 June 2024

1 About this report

Energy Safe Victoria is given the authority to operate by way of the *Electricity Safety Act 1998*, the *Gas Safety Act 1997*, the *Pipelines Act 2005* and the *Energy Safe Victoria Act 2005*. We are a statutory authority acting on behalf of the Crown. Our principal address is Level 22, 2 Southbank Boulevard, Southbank, 3006.

We are responsible for the safety and technical regulation of electricity, gas and pipelines in Victoria. Its objectives, functions and responsibilities are defined by legislation. A description of the nature of our operations, and our principal activities, is included in the Report of Operations which does not form part of these financial statements.

Basis of preparation

These financial statements cover Energy Safe Victoria as an individual reporting entity and include all its controlled activities.

These financial statements are presented in Australian dollars, and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the specific item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements. This means that assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The exercise of judgement, and the making of assumptions and estimates, is required in the preparation of financial statements. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements, and estimates, are disclosed in the notes under the heading: 'Significant judgement or estimates'.

Estimates are based on professional judgement, historical experience, and other factors considered reasonable under the circumstances. Actual results may differ from these estimates. Revisions to estimates are recognised in the period in which the estimate is revised, and in future periods that are affected by the revision.

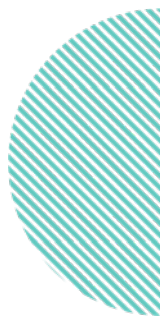
Amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AAS, including Interpretations, issued by the Australian Accounting Standards Board (AASB). The financial statements are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs relevant to not-for-profit entities have been applied.

Accounting policies are selected and applied in these financial statements to ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.



2 Funding delivery of our services

Introduction

Energy Safe Victoria is the regulator responsible for electrical and gas safety in the state. This statutory authority audits the design, construction and maintenance of electricity and gas networks and installations and ensures that appliances meet stringent safety and energy efficiency standards before they are sold.

The primary source of revenue is levy and fee income. This includes industry levies and fees from the provision of licences and other services. These are levied, or charged, by Energy Safe Victoria on a full cost recovery basis. We do not receive any appropriation from the State Government of Victoria.

Levy income is raised in accordance with the Electricity Safety Act, the Gas Safety Act, and the Pipelines Act. Levies are approved by the Minister for Energy and Resources.

Fees are generated from the sale of Certificates of Electrical Safety, the issue of electrical licences, and the provision of similar services.

Significant judgement: Grant revenue

Grant revenue is recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*, except when there are enforceable and sufficiently specific performance obligations. In this case, revenue is accounted as contracts with customers in accordance with AASB 15 *Revenue from Contracts with Customers*. Income from grants to construct the capital assets that are controlled by us are recognised progressively as the asset is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

Structure

- 2.1 Levy income
- 2.2 Revenue from contracts with customers
 - 2.2.1 Fee income
 - 2.2.2 Grant income
- 2.3 Interest and other income
- 2.4 Disaggregated revenue
- 2.5 Details regarding performance obligations

2.1 Levy income

(\$ thousand)

Levy income	2024	2023
Gas industry levy	24,513	17,490
Electrical industry levy	19,488	13,852
Gas pipeline industry levy	1,810	1,280
Total levy income	45,811	32,622

Levies on energy sector participants are used to fund regulatory activities. Levies are set for a 2-year period with the approval of the Minister responsible for Energy Safe Victoria. The levies for 2023–24 having been determined by the Minister in June 2023, increased in 2023–24 by 40.7 per cent for the electricity industry and 40.3 per cent for the gas and pipelines industry to enable Energy Safe to proactively regulate renewable energy and the safety of energy transition. The levies are invoiced to the regulated gas, electricity and pipeline companies once a year.

Levy income is recognised when invoiced as this is when the energy supplier is unconditionally obliged, under legislation, to pay the levy. Levies are non-refundable.

2.2 Revenue from contracts with customers

Revenue from contracts with customers is recognised so as to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which Energy Safe Victoria expects to be entitled in exchange for those goods or services.

Revenue is recognised in accordance with the following 5-step process:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue as and when the performance obligations are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) Energy Safe Victoria satisfies performance obligations by transferring the promised goods or services to its customers.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.4). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.2).

2.2.1 Fee income

	(\$ thousand)	
Fee income	2024	2023
Sales of Certificates of Electrical Safety	15,035	14,806
Licence fees	4,530	4,827
Electrolysis mitigation fees	1,973	1,971
Equipment and appliance approval fees	443	456
Appliance efficiency approval fees	1,081	918
Total fee income	23,062	22,978

Sales of Certificates of Electrical Safety

Performance obligations arising from contracts for sales of certificates of electrical safety are determined to be satisfied at a point in time when the certificates are registered in the name of the buyers (or transfer of title). Accordingly revenue from sales of such certificates is recognised when the licence is granted.

Licence fees

Performance obligations arising under licensing arrangements are satisfied at a point in time when the underlying assets rights are transferred. Accordingly revenue from licensing is recognised at a point in time.

Fees from electrolysis, mitigation, equipment and appliance approval, and appliance efficiency approval

The electrolysis mitigation fee is an annual fee that supports Energy Safe Victoria's regulatory activities in electrolysis and cathodic protection.

In respect of these services, performance obligations are satisfied at a point in time and hence revenue from these services is recognised when the services are completed.

2.2.2 Grant income

	(\$ thousand)	
Grant income	2024	2023
Revenue recognised under AASB 15		
Grant income from Department of Energy, Environment and Climate Action	1,959	972
Grant income from Electrical Equipment Safety Scheme	3,221	1,182
Total Grant income	5,180	2,154

Performance obligations attached to grants received are determined to be satisfied over time in accordance with AASB 15. Therefore, revenue is recognised over time. The output method (involving an assessment of the extent of completion of the activities) is used to estimate the amount of revenue to be recognised on progress of satisfaction of performance obligation.

2.3 Interest and other income

(\$ thousand)

Interest and other income	2024	2023
Interest from financial assets not at fair value through profit or loss		
Interest on cash and cash equivalents	1,298	921
Other miscellaneous income	58	32
Total interest and other income	1,356	953

Interest income comprises interest earned on cash at bank. Interest income is recognised using the effective interest method which allocates the interest over the relevant period in which the interest accrued.

Other miscellaneous income may arise from application fees, advertising and so on. Revenue from such services is recognised at a point in time when the service is completed.

2.4 Disaggregated revenue

Energy Safe Victoria has disaggregated revenue into various categories in the below table. The revenue is disaggregated by service line, government and non-government revenue, and timing of revenue recognition.

(\$ thousand)

2024	Government bodies	Non-government organisations	TOTAL
Segments			
MAJOR GOOD/SERVICE LINES:			
Levy income	-	45,811	45,811
Fee income	-	23,062	23,062
Grants income	5,180	-	5,180
Other income	-	1,356	1,356
TOTAL	5,180	70,229	75,409
TIMING OF REVENUE RECOGNITION:			
Goods transferred at a point in time	-	70,229	70,229
Goods/services transferred over time	5,180	-	5,180
TOTAL	5,180	70,229	75,409

(\$ thousand)

2023 Segments	Government bodies	Non- government organisations	TOTAL
MAJOR GOOD/SERVICE LINES:			
Levy income	-	32,622	32,622
Fee income	-	22,978	22,978
Grants income	2,154	-	2,154
Other income	-	953	953
TOTAL	2,154	56,553	58,707

TIMING OF REVENUE RECOGNITION:

Goods transferred at a point in time	-	56,553	56,553
Goods/services transferred over time	2,154	-	2,154
TOTAL	2,154	56,553	58,707

During the financial year ended 30 June 2024, Energy Safe Victoria had \$5,179,497 (2023: \$2,153,761) revenue attributed to Victorian Government sources.

2.5 Details regarding performance obligations

Particulars	Fee income	Grants income	Other income
Nature of goods or services involved	Licence and Certificate fees	Delivery of continuing professional development program	Licence Assessment fee; Installation Exemption fee
Satisfaction of performance obligations	Recognised income when issuing the certificate	Recognised income when services delivered	Recognised income when licence issued
Significant payment terms	Payment due within 30 days	Payment due within 30 days	Payment due within 30 days

3 The cost of delivering services

This section provides an account of the expenses incurred by the Energy Safe Victoria in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Employee benefits

- 3.1.1 Employee benefits in the comprehensive operating statement
- 3.1.2 Employee benefits in the balance sheet
- 3.1.3 Superannuation contributions

3.2 Other operating expenses

3.1 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

(\$ thousand)

	2024	2023
Salaries, wages, annual leave and long service leave	36,488	34,024

POST-EMPLOYMENT BENEFITS

Defined contribution plans superannuation expense	4,270	3,811
Termination benefits	217	15
Total employee benefits	40,975	37,850

Employee benefits include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement is the employer contribution for members of defined contribution superannuation plans, paid during the reporting period.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. Energy Safe Victoria recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits because of an offer made to encourage voluntary redundancy.

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

(\$ thousand)

Employee benefits in balance sheet	2024	2023
CURRENT PROVISIONS		
Annual leave		
Unconditional and expected to be settled within 12 months	2,008	1,844
Unconditional and expected to be settled after 12 months	838	744
Long service leave		
Unconditional and expected to be settled within 12 months	314	268
Unconditional and expected to be settled after 12 months	2,799	2,634
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months	394	358
Unconditional and expected to be settled after 12 months	632	589
Total current provisions for employee benefits	6,985	6,437
NON-CURRENT PROVISIONS		
Long service leave	1,129	912
Employee benefit on-costs	197	159
Total non-current provisions for employee benefits	1,326	1,071
Total provisions for employee benefits	8,311	7,508
RECONCILIATION OF MOVEMENT IN ON-COST PROVISION		
Opening balance	1,106	1,032
Additional provisions recognised	305	356
Reductions arising from payments	(411)	(435)
Unwinding of discount rate and effect of changes in the discount rate	223	153
Closing balance	1,223	1,106
Current	1,026	947
Non-current	197	159
Closing balance	1,223	1,106

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because Energy Safe Victoria does not have an unconditional right to defer settlements of these liabilities.

The liability for wages and salaries are recognised in the balance sheet at remuneration rates which are current at the reporting date. As Energy Safe Victoria expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as Energy Safe Victoria does not have an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Long service leave

Unconditional LSL is disclosed as a current liability; even where Energy Safe Victoria does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The components of this current LSL liability are measured at:

- undiscounted value – if Energy Safe Victoria expects to wholly settle within 12 months, or
- present value – if Energy Safe Victoria does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.3 Superannuation contributions

All superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of Energy Safe Victoria. As explained in 3.1.1, these contributions currently only relate to defined contribution plans.

(\$ thousand)

	Paid contribution for the year		Contribution outstanding at year end	
	2024	2023	2024	2023
Total defined contribution superannuation contributions	4,082	4,228	87	65

3.2 Other operating expenses

(\$ thousand)

Supplies and services	2024	2023
Telecommunications	293	318
Legal fees	1,019	503
Administration fees - Certificates of Electrical Safety	125	147
Insurance	1,136	890
Travel expenses	368	313
Compliance and audit services	170	149
Conferences and training	583	485
Publication and subscriptions	108	125
Interest expense	29	53
Other expenses	864	840
Total other operating expenses	4,695	3,823

Other operating expenses generally represent the day-to-day running costs involved in normal operations. Supplies and services are recognised as an expense in the reporting period in which they are incurred.

4 Key assets available to support service delivery

Introduction

Energy Safe Victoria controls physical and intangible assets that are utilised in fulfilling its objectives, and conducting its activities. Physical assets comprise plant and equipment including assets under construction. Intangible assets comprise purchased and configured computer software in use, and computer software currently being configured for use.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information about how these fair values were determined is disclosed in Note 7.3.

Structure

4.1 Total plant and equipment

- 4.1.1 Depreciation, amortisation and revaluation
- 4.1.2 Reconciliation of movements in carrying amount of plant and equipment

4.2 Right-of-use assets

- 4.2.1 Carrying values of Right-of-use assets
- 4.2.2 Reconciliation of carrying values of Right- of-use assets
- 4.2.3 AASB 16 Leases related amounts recognised in the comprehensive operating statement

4.3 Intangible assets

4.1 Total plant and equipment

(\$ thousand)

Carrying values of plant and equipment	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024	2023	2024	2023	2024	2023
PLANT AND EQUIPMENT AT FAIR VALUE						
Furniture and fittings	550	550	(356)	(308)	194	242
Equipment	816	816	(715)	(651)	101	165
Leasehold improvements	514	514	(514)	(512)	-	2
Leasehold improvements – work in progress	1,107	-	-	-	1,107	-
Total plant and equipment at fair value	1,880	1,880	(1,585)	(1,471)	1,402	409

Initial recognition

Items of plant and equipment are measured initially at cost. Where an asset is acquired for no, or nominal cost, the cost is its fair value at the date of acquisition.

Energy Safe Victoria's asset policy sets the minimum asset capitalisation threshold of individual units at greater than \$5,000 (GST exclusive). Energy Safe Victoria recognises a group of assets as a unit when the following conditions are met:

- multiple units of the same item are purchased in a single transaction
- individual values do not meet the capitalisation threshold of \$5,000, but, as a group, the total purchase value exceeds \$50,000 (GST exclusive), and
- it is commercially viable to purchase multiple units of the same item under a single transaction.

Subsequent measurement

Plant and equipment are subsequently measured at fair value less accumulated depreciation. Fair value is determined with regard to the asset's highest and best use (considering any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Note 7.3 includes additional information in connection with fair value determination of plant and equipment.

4.1.1 Depreciation, amortisation and revaluation

(\$ thousand)

Depreciation charge for the period	2024	2023
Furniture and fixtures	48	48
Equipment	64	55
Leasehold improvements	2	5
Total plant and equipment	114	108
Intangible assets	2,989	2,913
Right-of-use asset	1,472	1,475
Total depreciation	4,575	4,496

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset class for current and prior years are included in the table below:

Asset class	Useful life in years
Furniture and fittings	10 to 15
Equipment	3 to 15
Leasehold improvements	Shorter of lease and 7 years
Vehicle (mobile site office)	18

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Revaluation

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

4.1.2 Reconciliation of movements in carrying amount of plant and equipment

(\$ thousand)

2024	Plant and equipment	Assets under construction at cost	Total
Opening balance 1 July 2023	409	-	409
Additions	-	1,107	1,107
Disposals	-	-	-
Depreciation	(114)	-	(114)
Closing balance 30 June 2024	295	1,107	1,402

(\$ thousand)

2023	Plant and equipment	Assets under construction at cost	Total
Opening balance 1 July 2022	479	-	479
Additions	65	-	65
Disposals	(27)	-	(27)
Depreciation	(108)	-	(108)
Closing balance 30 June 2023	409	-	409

4.2 Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and are also subject to revaluations.

Whenever Energy Safe Victoria incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that Energy Safe Victoria expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the

underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

Energy Safe Victoria applies AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

Significant judgement: Right-of-use assets and liabilities

Right-of-use assets and liabilities in respect of leases for the rental of premises are recognised when Energy Safe Victoria has right of access to the premises and all fit out works have been completed. Until such time, Energy Safe Victoria does not have control over the right to occupy the premises. Where such circumstances straddle the financial year end, Energy Safe Victoria discloses these matters under subsequent events notes and provides appropriate information in relation to the lease, its term, expected rental payments on an undiscounted basis, provision for make good, any incentives / contribution to the lease fit out and rent-free periods.

4.2.1 Carrying values of right-of-use assets

(\$ thousand)

	2024	2023
Leased buildings	4,734	4,734
Accumulated depreciation	(4,587)	(3,703)
Net carrying amount leased buildings	147	1,031
Leased motor vehicles	3,715	3,031
Accumulated depreciation	(3,170)	(2,600)
Net carrying amount leased motor vehicles	545	431
Net carrying amount	692	1,462

Lease buildings

Energy Safe Victoria leased buildings includes 4 Riverside Quay, Southbank and 540 Springvale Road, Glen Waverley. The lease at 4 Riverside Quay, Southbank expires in August 2024. The lease at 540 Springvale Road, Glen Waverley expires in August 2024.

Motor vehicles

Energy Safe Victoria leased motor vehicles. All motor vehicle leases are for a 3-year period and are not subject to annual increases.

4.2.2 Reconciliation of carrying values of right-of-use assets

(\$ thousand)

2024	Leased buildings	Leased motor vehicles	Total
Opening balance 1 July 2023	1,031	431	1,462
Additions	-	684	684
Depreciation	(884)	(570)	(1,454)
Closing balance 30 June 2024	147	545	692

(\$ thousand)

2023	Leased buildings	Leased motor vehicles	Total
Opening balance 1 July 2022	1,552	369	1,921
Additions	360	656	1,016
Depreciation	(881)	(594)	(1,475)
Closing balance 30 June 2023	1,031	431	1,462

4.2.3 AASB 16 related amounts recognised in the comprehensive operating statement

(\$ thousand)

	2024	2023
Depreciation charge related to right-of-use assets	1,454	1,475
Interest expense on lease liabilities (under finance cost)	29	53
Low-value asset leases expense	62	94
Total amount recognised in comprehensive operating statement	1,545	1,622

4.3 Intangible assets

(\$ thousand)

2024	Computer software	Work in progress	Total
GROSS CARRYING AMOUNT			
Opening balance 1 July 2023	16,323	-	16,323
Additions	134	-	134
Transfer in/(out) of asset under construction	-	2,896	2,896
Closing balance	16,457	2,896	19,353
ACCUMULATED DEPRECIATION			
Opening balance 1 July 2023	(9,529)	-	(9,529)
Amortisation	(2,989)	-	(2,989)
Closing balance	(12,518)	-	(12,518)
Net book value 30 June 2024	3,939	2,896	6,835

(\$ thousand)

2023	Computer software	Work in progress	Total
GROSS CARRYING AMOUNT			
Opening balance 1 July 2022	12,988	2,002	14,990
Additions	1,333	-	1,333
Transfer in/(out) of asset under construction	2,002	(2,002)	-
Closing balance	16,323	-	16,323
ACCUMULATED DEPRECIATION			
Opening balance 1 July 2022	(6,616)	-	(6,616)
Amortisation	(2,913)	-	(2,913)
Closing balance	(9,529)	-	(9,529)
Net book value 30 June 2023	6,794	-	6,794

Intangible assets comprise purchased computer software and configured computer software in use, and computer software currently being configured for use and included in work in progress.

All Energy Safe Victoria's intangible assets are produced assets.

Initial recognition

Intangible assets are initially recognised at cost.

Configured software is an internally generated intangible asset arising from development and is only recognised as an intangible asset if the following can be demonstrated:

- the technical feasibility of completing the configuration so that the software will be available for use by Energy Safe Victoria
- an intention to complete the configured software and use it
- the ability to use the configured software in Energy Safe Victoria
- the configured software will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the configuration and use the software in Energy Safe Victoria, and
- the ability to measure reliably the expenditure attributable to the software's configuration.

Subsequent measurement

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over the asset's useful life, which is generally 5 years.

Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation and are subject to revaluations.

Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation method and useful life are reviewed annually at each financial year-end.

Revaluation of intangible assets

Intangible assets with finite useful lives (including work in progress) are annually assessed for revaluation (See Note 4.1.1).

Significant intangible assets

Energy Safe Victoria has capitalised expenditure for the development of business-critical systems for example, ESVConnect and EESS system. The carrying amount of the capitalised development expenditure is \$3,938,562. (2023: \$6,793,559).

Configured software	Configured software useful life
EESS system	5 years
ESVConnect	5 years

5 Other assets and liabilities

Introduction

This section sets out those assets and liabilities, including receivables and payables that arose from Energy Safe Victoria's controlled operations.

Structure

5.1 Receivables

5.2 Contract assets

5.3 Payables

5.3.1 Maturity analysis of contractual payables

5.4 Contract liabilities

5.1 Receivables

(\$ thousand)

Receivables	2024	2023
CONTRACTUAL		
Certificate of Electrical Safety agents	161	72
Other receivables	225	568
Total contractual receivables	386	640
STATUTORY		
GST input tax credit recoverable	580	809
Total current receivables	966	1,449

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. Energy Safe Victoria holds the contractual receivables with the objective to collect the contractual cash flows and therefore are subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Energy Safe Victoria applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Analysis of credit risk over receivables are disclosed in Note 7.1.2.1.

5.2 Contract assets

(\$ thousand)

Contract Assets	2024	2023
CONTRACT ASSETS		
Opening balance	458	231
Add: Amounts recognised as contract assets at balance sheet date	4,175	2,803
Less: Transfer to receivables	(4,124)	(2,576)
Total contract assets	509	458
Represented by		
Current contract assets	509	458
Non-current contract assets	-	-

Contract assets relate to performance obligations that Energy Safe Victoria's right to consideration in exchange for services transferred to customers, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. This usually occurs when the Energy Safe Victoria issues an invoice to the customer.

5.3 Payables

(\$ thousand)

Payables	2024	2023
CONTRACTUAL		
Supplies and services	6,421	3,167
Amounts payable to Government and agencies	19	20
Other payables	169	142
Total contractual payables	6,609	3,329
Statutory		
GST payable	6	35
Total current payables	6,615	3,364

Payables comprises:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Energy Safe Victoria prior to the end of the financial year that are unpaid, and
- statutory payables, that are recognised and measured similarly to contractual payables but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. The terms and conditions of amounts payable to the government and agencies vary according to the agreements and as they are not part of legislative payables, they are not classified as financial instruments.

5.3.1 Maturity analysis of contractual payables

(\$ thousand)

	Carrying amount	Nominal amount	Maturity dates		
			Less than 1 month	1-3 months	3-12 months
2024					
Other payables	6,609	6,609	6,609	-	-
Total contractual payables	6,609	6,609	6,609	-	-
2023					
Other payables	3,329	3,329	3,329	-	-
Total contractual payables	3,329	3,329	3,329	-	-

5.4 Contract liabilities

(\$ thousand)

	2024	2023
CONTRACT LIABILITIES		
Opening balance brought forward	2,745	1,710
Less: Revenue recognised in the reporting period that was included in the contract liability at the start of the accounting period	(1,944)	(2,433)
Add: Amounts received for which performance obligations have not been met	2,453	3,468
Total contract liabilities	3,254	2,745
Represented by		
Current contract liabilities	3,254	2,745
Non-current contract liabilities	-	-

Contract liabilities include consideration received in advance from customers in respect of services. Invoices are raised once the services are delivered provided to them.

6 How we finance our operations

Introduction

This section provides information on the sources of finance utilised by Energy Safe Victoria during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Energy Safe Victoria.

This section includes disclosures of balances that are financial instruments (such as cash balances), including financial commitments at year end. Notes provide additional, specific financial instrument disclosures.

Structure

6.1 Cash flow information and balances

6.1.1 Reconciliation of net result to cash flow from operating activities

6.2 Lease liability

6.2.1 Right-of-use Assets

6.2.2 Amounts recognised in the Comprehensive Operating Statement

6.2.3 Amounts recognised in the Statement of Cash flows

6.2.4 Identification of a lease

6.2.5 Separation of lease and non-lease components

6.2.6 Recognition and measurement of leases as a lessee

6.2.7 Maturity analysis of lease liability

6.1 Cash flow information and balances

Cash and cash equivalents, comprise cash on hand and cash at bank with an original maturity of 3 months or less, which are:

- held to meet short term cash commitments rather than for investment purposes
- readily convertible to known amounts of cash, and
- subject to an insignificant risk of changes in value.

Energy Safe Victoria invest its funds in accordance with the requirements of the Standing Directions of the Minister for Finance.

(\$ thousand)

	2024	2023
Total cash and cash equivalents disclosed in the balance sheet	18,166	14,717
Balance as per cash flow statement	18,166	14,717

6.1.1 Reconciliation of net result for the period to cash flow from operating activities

(\$ thousand)

	2024	2023
Net result for the period	976	(9,110)

NON-CASH MOVEMENTS

Depreciation and amortisation of non-current assets	4,575	4,496
Loss on sale of non-financial assets	-	20
Interest expense on lease liabilities	29	53

MOVEMENT IN ASSETS AND LIABILITIES

(Increase)/decrease in receivables and contract assets	431	(939)
Decrease/(increase) in prepayments	(1,265)	683
Decrease/(increase) in payables	3,251	(309)
Increase/(decrease) in other liabilities	509	1,035
Increase in provisions	803	462
Net cash flows from operating activities	9,309	(3,609)

6.2 Lease liability

6.2.1 Right-of-use assets

Right-of-use assets are presented in note 4.2.1.

6.2.2 Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

(\$ thousand)

	2024	2023
Interest expense on lease liabilities	29	53
Depreciation charge related to right-of-use assets	1,454	1,475
Expenses relating to leases of low-value assets	62	94
Total amount recognised in the Comprehensive Operating Statement	1,545	1,622

6.2.3 Amounts recognised in the Statement of Cash flows

The following amounts are recognised in the Statement of Cash flows for the year ending 30 June 2024 relating to leases.

(\$ thousand)

	2024	2023
Total cash outflow for leases	1,723	1,686

6.2.4 Identification of a lease

For any new contracts entered into on or after 1 July 2019, Energy Safe Victoria considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition Energy Safe Victoria assesses whether the contract meets 3 key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Energy Safe Victoria and for which the supplier does not have substantive substitution rights
- whether Energy Safe Victoria has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Energy Safe Victoria has the right to direct the use of the identified asset throughout the period of use, and
- whether Energy Safe Victoria has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

6.2.5 Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

6.2.6 Recognition and measurement of leases as a lessee

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

Energy Safe Victoria has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Presentation of lease liabilities

The lease liability is presented as a separate line in the balance sheet.

6.2.7 Maturity analysis of lease liability

(\$ thousand)

	2024	2023
MATURITY ANALYSIS:		
Year 1	499	1,477
Year 2	172	259
Year 3	86	28
Year 4	-	-
Year 5	-	-
	757	1,764
Less: interest payable	(13)	(27)
	744	1,737
ANALYSED AS:		
Current	491	1,451
Non-current	253	286
	744	1,737

Energy Safe Victoria does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within our treasury function.

7 Risks, contingencies and valuation judgements

Introduction

Energy Safe Victoria is exposed to risks from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Energy Safe Victoria related mainly to fair value determination.

Structure

7.1 Financial instruments specific disclosures

7.1.1 Financial instruments: categorisation

7.1.2 Financial risk management objectives and policies

7.1.2.1 Financial instruments: credit risk

7.1.2.2 Credit quality of financial assets

7.1.2.3 Financial instruments: liquidity risk

7.1.2.4 Financial instruments: market risk

a) Interest rate exposure of financial instruments

b) Interest rate risk sensitivity

7.2 Contingent assets and contingent liabilities

7.3 Fair value determination

7.3.1 Fair value determination: non-financial physical assets

7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability, or equity instrument of another entity. For Energy Safe Victoria, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Energy Safe Victoria to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Energy Safe Victoria recognises the following assets in this category:

- cash and cash equivalents, and
- receivables (excluding statutory receivables).

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. Energy Safe Victoria recognises the following liabilities in this category:

- payables (excluding statutory payables), and
- lease liabilities.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- Energy Safe Victoria retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- Energy Safe Victoria has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where Energy Safe Victoria has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Energy Safe Victoria's continuing involvement in the asset.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, Energy Safe Victoria has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Energy Safe's business model for managing its financial assets has changed such that its previous model would no longer apply.

However, Energy Safe Victoria is generally unable to change its business model because it is determined by the Victoria's Financial Management Framework and all Victorian Government Agencies are required to comply with the Framework under the Victoria's *Financial Management Framework 2018*.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

7.1.1 Financial instruments: categorisation

(\$ thousand)

2024	Note	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
CONTRACTUAL FINANCIAL ASSETS					
Cash and deposits	6.1	18,166	-	-	18,166
Receivables	5.1				
Fee income		-	161	-	161
Other receivables		-	225	-	225
Total contractual financial assets		18,166	386	-	18,552
CONTRACTUAL FINANCIAL LIABILITIES					
Payables	5.3				
Supplies and services		-	-	6,421	6,421
Amounts payable to Governments and agencies		-	-	19	19
Other payables		-	-	169	169
Total contractual financial liabilities		-	-	6,609	6,609

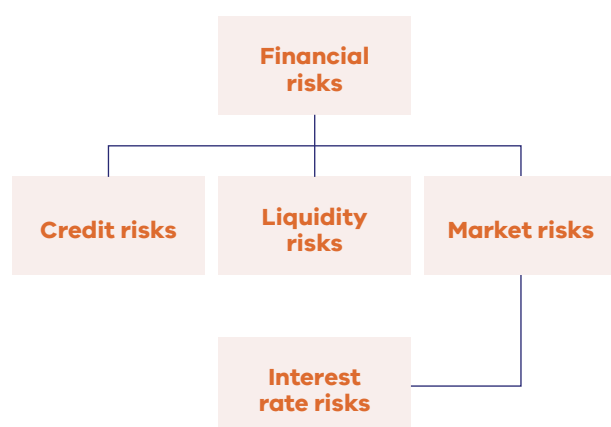
(\$ thousand)

2023	Note	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
CONTRACTUAL FINANCIAL ASSETS					
Cash and deposits	6.1	14,717	-	-	14,717
Receivables	5.1				
Fee income		-	72	-	72
Other receivables		-	568	-	568
Total contractual financial assets		14,717	640	-	15,357
CONTRACTUAL FINANCIAL LIABILITIES					
Payables	5.3				
Supplies and services		-	-	3,167	3,167
Amounts payable to Governments and agencies		-	-	20	20
Other payables		-	-	142	142
Total contractual financial liabilities		-	-	3,329	3,329

The total amounts for receivables and payables disclosed here exclude statutory amounts (such as GST input tax recoverable and taxes payable).

7.1.2 Financial risk management objectives and policies

Energy Safe Victoria is exposed to several financial risks, including:



Energy Safe Victoria's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.1.

The main purpose in holding financial instruments is to prudentially manage Energy Safe Victoria's financial risks within government policy parameters.

Energy Safe Victoria's main financial risks include credit risk, liquidity risk and interest rate risk. Energy Safe Victoria manages these risks in accordance with its financial risk management policy.

Energy Safe Victoria uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of Energy Safe Victoria.

7.1.2.1. Financial instruments: credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Energy Safe Victoria's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Energy Safe Victoria.

Credit risk is measured at fair value and is monitored on a regular basis.

Energy Safe Victoria does not engage in hedging for its contractual financial assets. It mainly obtains contractual financial assets that are on fixed

interest, except for cash and cash equivalents which are mainly cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Energy Safe Victoria will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Energy Safe Victoria's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Energy Safe Victoria's credit risk profile in 2023-24.

7.1.2.2. Credit quality of financial assets

(\$ thousand)

2024	Financial institutions (AA credit rating)	Government agencies (AA credit rating)	Other (min BBB credit rating)	Total
FINANCIAL ASSETS				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and cash equivalents (not assessed for impairment due to materiality)	18,166	-	-	18,166
Statutory receivables (with no impairment loss recognised)	-	580	-	580
Financial assets with loss allowance measured at lifetime expected credit loss				
Contractual receivables (with no impairment loss recognised)	-	-	386	386
Total financial assets	18,166	580	386	19,132

2023	Financial institutions (AA credit rating)	Government agencies (AA credit rating)	Other (min BBB credit rating)	Total
FINANCIAL ASSETS				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and cash equivalents (not assessed for impairment due to materiality)	14,717	-	-	14,717
Statutory receivables (with no impairment loss recognised)	-	809	-	809
Financial assets with loss allowance measured at lifetime expected credit loss				
Contractual receivables (with no impairment loss recognised)	-	-	640	640
Total financial assets	14,717	809	640	16,166

Statutory receivables

Energy Safe Victoria's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Impairment of financial assets under AASB 9

Energy Safe Victoria records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Energy Safe Victoria's contractual receivables and statutory receivables.

Energy Safe Victoria concludes that no impairment is necessary as all financial assets are recoverable.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 5.2) are also subject to impairment however it is immaterial.

7.1.2.3. Financial instruments: liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. Energy Safe Victoria operates under the Victorian Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Energy Safe Victoria is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. Energy Safe Victoria manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations, and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Energy Safe Victoria's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

7.1.2.4. Financial instruments: market risk

Energy Safe Victoria's exposure to market risk relates primarily to interest rate risk. It does not have, nor intend to have, any exposure to foreign currency risk, or equity price risk.

Sensitivity disclosure analysis and assumptions

Considering past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, Energy Safe Victoria believes that a movement of 100 basis points up and down in market interest rate is reasonably possible over the next 12 months. Sensitivity analyses shown are for illustrative purposes only.

The tables that follow shows the impact on Energy Safe Victoria's net result for each category of financial instrument held by Energy Safe Victoria at the end of the reporting period, if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Energy Safe Victoria does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Energy Safe Victoria has minimal exposure to cash flow interest rate risks through cash and cash equivalents that are at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rate risk are set out in the table that follows.

7.1.2.4 (a) Interest rate exposure of financial instruments

(\$ thousand)

	Weighted average interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2024					
Contractual financial assets					
Cash and cash equivalents	7.9%	18,166	-	18,166	-
Receivables	-	386	-	-	386
Total contractual financial assets		18,552	-	18,166	386
Contractual financial liabilities					
Payables	-	6,609	-	-	6,609
Lease liabilities	2.6%	744	744	-	-
Total contractual financial liabilities		7,353	744	-	6,609

(\$ thousand)

	Weighted average interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2023					
Contractual financial assets					
Cash and cash equivalents	5.1%	14,717	-	14,717	-
Receivables	-	640	-	-	640
Total contractual financial assets		15,357	-	14,717	640
Contractual financial liabilities					
Payables	-	3,329	-	-	3,329
Lease liabilities	2.6%	1,737	1,737	-	-
Total contractual financial liabilities		5,066	1,737	-	3,329

The total amounts disclosed here exclude statutory amounts (such as GST input tax recoverable and taxes payable).

71.2.4 (b) Interest rate risk sensitivity

(\$ thousand)

	Carrying amount	-100 basis points	+100 basis points
		Net result	Net result
2024			
Contractual financial assets			
Cash and cash equivalents	18,166	(182)	182
Total impact	18,166	(182)	182
2023			
Contractual financial assets			
Cash and cash equivalents	14,717	(147)	147
Total impact	14,717	(147)	147

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by events not wholly within Energy Safe Victoria's control. Energy Safe Victoria has no quantifiable or non-quantifiable contingent assets.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by uncertain future events not wholly within Energy Safe's Victoria's control, or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
 - the amount of the obligations cannot be reliably measured.

Contingent liabilities are also classified as either quantifiable or non-quantifiable. Energy Safe Victoria has no quantifiable or non-quantifiable contingent liabilities.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on Energy Safe Victoria's results and financial position.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Plant and equipment are carried at fair value. Energy Safe Victoria determines the policies and procedures for determining fair values for non-financial physical assets as required.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

Energy Safe Victoria only has short-term financial instruments such as cash at bank, trade receivables and payables and their carrying amount is a reasonable approximation of fair value. As such, a fair value disclosure on financial instruments is not required.

Fair value hierarchy

In determining fair values, several inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into 3 levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Energy Safe Victoria determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement, as a whole) at the end of each reporting period.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end, and
 - details of significant unobservable inputs used in the fair value determination.

7.3.1 Fair value determination: non-financial physical assets

(\$ thousand)

	Carrying amount as at 30 June	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2024				
Plant and equipment at fair value	295	-	-	295
2023				
Plant and equipment at fair value	409	-	-	409

(\$ thousand)

	2024	2023
PLANT AND EQUIPMENT		
Opening balance	409	479
Purchases/transfers	-	65
Disposals	-	(27)
Depreciation	(114)	(108)
Subtotal	(114)	(70)
Gains or losses recognised in other economic flows - other comprehensive income	-	-
Revaluation	-	-
Closing balance	295	409
Unrealised gains/(losses) on non-financial assets	-	-

These assets have been classified in accordance with the fair value hierarchy, see note 7.3. There have been no transfers between levels during the period. Energy Safe Victoria's plant and equipment is held at fair value. For all assets measured at fair value, the current use is considered the highest and best use. There were no changes in valuation techniques throughout the period to 30 June 2024.

Reconciliation of Level 3 fair value movements

Description of significant unobservable inputs to Level 3 valuations

2024 and 2023	Plant and equipment
Valuation technique	Current replacement cost
Significant unobservable inputs	Physical depreciation and obsolescence adjustment

Significant unobservable inputs have remained unchanged since June 2016.

Energy Safe Victoria applied AASB 2015-7 *Fair Value Disclosures of Not-for-Profit Public Sector Entities*, exempting not-for-profit public sector entities from disclosing 'unrealised gains/(losses) on non-financial assets', quantitative information of significant unobservable inputs and the sensitivity analysis if the assets are held primarily for their current service potential rather than to generate net cash inflows.

8 Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, to assist in the understanding of these financial statements.

Structure

- 8.1 Reserves
- 8.2 Responsible persons
- 8.3 Remunerations of executives
- 8.4 Related parties
- 8.5 Compensation of key management personnel
- 8.6 Remuneration of auditors
- 8.7 Subsequent events
- 8.8 Change in accounting policies
- 8.9 Other accounting policies
- 8.10 Australian Accounting Standards issued that are not yet effective
- 8.11 Glossary of technical terms

8.1 Reserves

(\$ thousand)

Reserves	2024	2023
Physical asset revaluation surplus		
Balance at beginning of financial year	176	176
Revaluation increments/ (decrements)	-	-
Disposal or transferred out	-	-
Balance at end of financial year	176	176
Net changes in reserves	-	-

8.2 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of the Portfolio Minister and Accountable Officer in Energy Safe Victoria are as follows:

Minister for Energy and Resources

The Hon. Lily D'Ambrosio MP

1 July 2023 to 30 June 2024

Chief Executive Officer

Ms Leanne Hughson

1 July 2023 to 30 June 2024

Remuneration

Remuneration received or receivable by the Accountable Officer for the management of Energy Safe Victoria during the reporting period was in the range: \$430,000 – \$440,000 (2022-23: \$400,000 – \$410,000).

8.3 Remuneration of executives

The number of senior executives in service, other than the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent senior executive service over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

- Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as allowances and non-monetary benefits.
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include LSL, other long-service benefit or deferred compensation.
- Termination benefits include termination of employment payments, such as severance packages.

	(\$ thousand)	
	2024	2023
Short-term employee benefits	1,593	1,767
Post-employment benefits	138	161
Other long-term benefits	29	31
Termination benefits	81	17
Total remuneration (i) (ii)	1,841	1,976
Total number of executives	5	8
Total annualised employee equivalent (iii)	5	6

Notes:

- The total number of senior executive service includes persons who meet the definition of key management personnel of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.4).
- Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.4 Related parties

Energy Safe Victoria is a wholly-owned and controlled entity of the State of Victoria. Related parties of the entity include:

- all key management personnel, their close family members and personal business interests, and
- all Cabinet Ministers and their close family members, and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Significant transactions with Government-related entities

During the financial year ended 30 June 2024, Energy Safe Victoria had the following significant government-related entity transactions:

- on-passed \$19,199 of infringement notice fees to the Consolidated Fund, through the Department of Energy, Environment, and Climate Change (2023: \$20,285)
- paid \$1,131,786 in annual insurance premiums to the Victorian Managed Insurance Authority (2023: \$889,864)
- received grant of \$4,213,559 from DEECA, which was recognised \$1,958,827 in 2024 financial year.

Energy Safe Victoria's key management personnel includes the Portfolio Minister, the Commission of Energy Safety and members of the Executive Leadership Team:

- Portfolio Minister - The Hon. Lily D'Ambrosio MP
- Commissioner and Chairperson - Ms Monique Conheady (01/08/23 - 30/06/24)
- Commissioner and Acting Chairperson - Ms Michelle Groves (01/07/23 - 31/07/23)
- Commissioner - Ms Michelle Groves (01/08/23 - 30/06/24)
- Commissioner - Ms Sarah McDowell (01/07/23 - 30/06/24)
- Chief Executive Officer - Ms Leanne Hughson (01/07/23 - 30/06/24)
- General Manager, Finance, Strategy and Risk - Mr Steve Cronin (01/07/23 - 30/06/24)
- General Manager, Customer & People Experience - Dr Roanne Allan (01/07/23 - 30/06/24)
- General Manager, Regulatory Operations - Mr Ian Burgwin (01/07/23 - 30/06/24)
- General Counsel and General Manager, Legal, Governance & Regulatory Policy - Ms Michelle McCorkell (01/07/23 - 30/06/24)

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the Parliamentary Salaries and Superannuation Act 1968 and are reported within the State's Annual Financial Report.

8.5 Compensation of key management personnel

(\$ thousand)

	2024	2023
Short-term employee benefits	2,209	2,142
Post-employment benefits	188	186
Other long-term benefits	39	40
Termination benefits	81	17
Total	2,517	2,385

Transactions and balances with key management personnel and other related parties

Outside of normal citizen type transactions, there were no related party transactions that involve key management personnel, their close family members and their personal business interests.

No provision has been required, nor any expense required for impairment of receivables from related parties.

8.6 Remuneration of auditors

(\$ thousand)

	2024	2023
VICTORIAN AUDITOR-GENERAL'S OFFICE		
Audit of the financial statements	38	36

No other services were provided by the Victorian Auditor-General's office.

8.7 Subsequent events

Energy Safe Victoria has executed a lease on new premises at Level 22, 2 Southbank Boulevard, Southbank following the expiry of the lease on its existing office accommodation. The new lease is for 4.4 years and commenced 1 July 2024. Energy Safe Victoria relocated to the new office location from 29 July 2024. The estimated value of the related right of use assets, including allowance for a lease incentive which will be taken as rent abatement and provision for make good is between \$3.3 million and \$3.4 million.

8.8 Change in accounting policies

Energy Safe Victoria has adopted all new accounting standards and interpretations that were effective as at 30 June 2024. Therefore, no impact has been noted.

8.9 Other accounting policies

Foreign currency transactions

All foreign current transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Energy Safe Victoria does not have any foreign monetary items existing at the end of the reporting period.

8.10 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2024 reporting period. Energy Safe Victoria assesses the impact of these new standards and their applicability and early adoption where applicable.

As at 30 June 2024, there are a number of standards and interpretations that had been issued but were not mandatory for financial year ending 30 June 2024. They become effective for the first financial statement for reporting periods commencing after the stated effective date in the table below.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on Energy Safe Victoria financial statements
AASB 2022-10 <i>Amendments to Australian Accounting Standards</i> – <i>Fair Value Measurement of Non- Financial Assets of Not-for-Profit Public Sector Entities</i>	This Standard specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 Non-current Assets Held for Sale and Discontinued Operations or if it is highly probable that it will be used for an alternative purpose; clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services; specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence. This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.	1 January 2024	Energy Safe Victoria is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on Energy Safe Victoria financial statements
AASB 17 <i>Insurance Contracts, AASB 2022-8</i> <i>Amendments to Australian Accounting Standards</i> <i>Insurance Contracts: Consequential Amendments and AASB 2022-9</i> <i>Amendments to Australian Accounting Standards</i> <i>Insurance Contracts in the Public Sector</i>	AASB 17 replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026. AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026. AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.	1 January 2024	Energy Safe Victoria is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact. .

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

8.11 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Controlled item generally refers to the capacity of an entity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transactions'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset is any asset that is:

- a) cash;
- b) an equity instrument of another entity
- c) a contractual right:
 - to receive cash or another financial asset from another entity or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- a) A contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- b) A contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements comprise:

- a) a balance sheet as at the end of the period
- b) a comprehensive operating statement for the period
- c) a statement of changes in equity for the period
- d) a cash flow statement for the period
- e) notes, comprising a summary of significant accounting policies and other explanatory information
- f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*
- g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statement in accordance with paragraphs 41 of AASB 101.

Grant expenses and other transfers

are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants for on-passing are grants paid to one institutional sector (such as State general government entity) to be passed on to another institutional sector (such as local government or a private non-profit institution).

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net operating balance – net result from transactions: Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as ‘other non-owner movements in equity’.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. They include plant and equipment, and intangible assets.

Operating result: Refer to ‘net result’.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; and fair value changes of financial instruments.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other AAS. They include changes in physical asset revaluation surplus.

Payables includes short and long-term trade debt and accounts payable, taxes and interest payable.

Produced assets include plant and equipment, and certain intangible assets. Intangible produced assets include configured computer software costs. This definition contrasts with non-produced, or internally generated intangible assets, such as goodwill or brands.

Receivables include short and long-term trade credit and accounts receivable, accrued income, taxes and interest receivable.

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the entity.

Independent Auditor's Report

To the Commission of Energy Safe Victoria

Opinion	<p>I have audited the financial report of Energy Safe Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Responsible Body's, Accountable Officer's and Chief Financial Officer's declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Commission's responsibilities for the financial report	<p>The Commission of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Commission determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Commission is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor’s responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission
- conclude on the appropriateness of the Commission’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
25 September 2024



Paul Martin
as delegate for the Auditor-General of Victoria

Disclosure index



The Energy Safe annual report was prepared in accordance with all relevant Victorian legislation and pronouncements. This index helps identify our compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
REPORT OF OPERATIONS		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	12
FRD 22	Purpose, functions, powers and duties	13–15
FRD 22	Key initiatives and projects	16–31
FRD 22	Nature and range of services provided	13–14, 16–31
Management and structure		
FRD 22	Organisational structure	37
Financial and other information		
FRD 10	Disclosure index	117–119
FRD 12	Disclosure of major contracts	58
FRD 22	Employment and conduct principles	45
FRD 22	Occupational health and safety policy	43
FRD 22	Summary of the financial results for the year	32–35
FRD 22	Significant changes in financial position during the year	33–35
FRD 22	Major changes or factors affecting performance	33–34
FRD 22	Subsequent events	109
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	65–66
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	67
FRD 22	Statement on National Competition Policy	58
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	66–67
FRD 22	Details of consultancies over \$10 000	64
FRD 22	Details of consultancies under \$10 000	64
FRD 22	Disclosure of government advertising expenditure	60–61
FRD 22	Disclosure of ICT expenditure	63
FRD 22	Reviews and studies expenditure	63

Legislation	Requirement	Page reference
FRD 22	Statement of availability of other information	68
FRD 22	Asset Management Accountability Framework (AMAF) maturity assessment	62
FRD 22	Disclosure of emergency procurement	59
FRD 22	Disclosure of procurement complaints	59
FRD 24	Reporting of office-based environmental impacts	67
FRD 25	Local Jobs First	58
FRD 29	Workforce Data disclosures	50–51
SD 5.2	Specific requirements under Standing Direction 5.2	71
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	69
SD 5.2.3	Declaration in report of operations	69
FINANCIAL STATEMENTS		
Declaration		
SD 5.2.2	Declaration in financial statements	71

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	71
SD 5.2.1(a)	Compliance with Standing Directions	71
SD 5.2.1(b)	Compliance with Model Financial Report	76
OTHER DISCLOSURES AS REQUIRED BY FRDS IN NOTES TO THE FINANCIAL STATEMENTS (A)		
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	107–109
FRD 103	Non-Financial Physical Assets	84–87
FRD 110	Cash Flow Statements	74, 94–95
FRD 112	Defined Benefit Superannuation Obligations	83
FRD 114	Financial Instruments – general government entities and public non-financial corporations	97–104
Legislation		
	<i>Freedom of Information Act 1982</i>	65–66
	<i>Building Act 1993</i>	57, 67
	<i>Public Interest Disclosures Act 2012</i>	66–67
	<i>Local Jobs Act 2003</i>	58
	<i>Financial Management Act 1994</i>	6, 40, 68, 69, 71, 76, 107,

Abbreviations



AAS	Australian Accounting Standards	GEAP	Gender Equality Action Plan
AASB	Australian Accounting Standards Board	GEMS	Greenhouse and Energy Minimum Standards
ACCC	Australian Competition and Consumer Commission	GST	Goods and Services Tax
AEMO	Australian Energy Market Operator	GTRC	Gas Technical Regulators Committee
AGL	Australian Gas Light Company	IBAC	Independent Broad-based Anti-Corruption Commission
AI	artificial intelligence	ICT	Information communication technology
AMAF	Asset Management Accountability Framework	IEC	International Electrotechnical Commission
AS/NZS	Joint Australian and New Zealand Standards	ISO	International Organization for Standardization
BAU	business as usual	LGBTIQIA+	lesbian, gay, bisexual, transexual, intersex, queer and more
CEO	Chief Executive Officer	LSL	long service leave
COES	Certificate of Electrical Safety	n/a	not applicable
CPD	continuing professional development	OHS	Occupational health and safety
DEECA	Department of Energy, Environment and Climate Action	OVIC	Office of the Victorian Information Commissioner
DDIY	Don't Do It Yourself	PID	Public Interest Disclosures
DISER	Department of Industry, Science, Energy and Resources	PISCA	Plumbing Coppersmiths, Sheetmetal Instructors Association
EESS	Electrical Equipment Safety Scheme	PPE	protective equipment provider
ERAC	Electrical Regulatory Authorities Council	REFCL	Rapid earth fault current limiter
EWG	Equipment Working Group	SA	Standards Australia
FOI	Freedom of information	SCO	Standing Committee of Officials
FMA	<i>Financial Management Act 1994</i>	TAFE	Technical and further education
FTE	full-time equivalent		



Energy Safe Victoria

ABN 27 462 247 657

Head Office

Level 22, 2 Southbank Boulevard
Southbank Vic 3006

Postal address

PO Box 262 Collins Street West VIC 8007

Telephone: 03 9203 9700

Email: info@energysafe.vic.gov.au

www.energysafe.vic.gov.au

