



Electricity (Consumer Safety) Bill.

Second Reading

The Hon. JOHN HATZISTERGOS (Minister for Justice, and Minister Assisting the Premier on Citizenship) [5.11 p.m.]:
I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

Members might recall that in May last year the Minister for Fair Trading spoke of pending reforms to the Electricity Safety Act 1945. A national competition policy review of the sections covering electrical articles and installations has been completed, and the Government now intends to remake this important consumer protection legislation with some amendments to further re-affirm our commitment to the safety of consumers and residents in New South Wales.

The Government has considered the comments from extensive consultation with consumer, industry and union representatives, and the recommendations from the review in preparing this bill.

The untold number of lives saved, injuries prevented and property undamaged because of the Electricity Safety Act could only, and inevitably did, demonstrate the need for the continuation of this legislation.

There can be no dispute with the public safety objective of the legislation, and the bill now before Parliament continues to meet the essential safety principles laid down while promoting more efficient administration.

Electricity plays a vital role in our everyday lives. Electrical articles which plug into our electrical installations are ubiquitous and innumerable: consider the televisions, computers, kitchen appliances, heaters, vacuum cleaners and other domestic products which run on mains power.

The Electricity Safety Act is a mechanism to ensure that electrical articles and wiring work meet national and internationally recognised standards. It ensures that consumer electrical articles are safe for purchase and hire and that information asymmetry is balanced in favour of consumer safety.

The Electricity Safety Act ensures that all electrical items must be made to minimum safety standards. We have inspectors checking retailers and wholesalers to ensure compliance. To further protect the public, items from certain classes of articles must be tested, approved and marked before they may be made available to the public. These are goods which are high risk because people have high levels of exposure to them—goods such as household appliances, mobile phone chargers, electric lawn mowers, extension cords, and safety switches—things we take for granted are safe to use. And they are safe to use because of the electricity safety legislation. If an item is found to be unsafe, action can be taken against a supplier under this legislation.

Consumers have the right to be confident that the electrical articles they buy are safe to use, and this legislation meets that objective.

At the same time, consumers using domestic, commercial, and industrial installations have an obligation to maintain their installations to the best of their knowledge and ability. This is a requirement under the Electricity Safety Act.

It is encouraging to note that the trend in electricity-related fatalities in New South Wales has shown a continuing decline over the 57 years since this legislation commenced. The safety recommendations and regimes that have grown from the legislation protect life and property in this State, not only in the electricity industry, but in homes and businesses. These safety provisions cover the power lines which carry electricity around the State and the table lamp plugged in at your bedside or on your office desk. But we can still do better in fatality reduction and consumer protection.

New South Wales has amongst the lowest incidence of death by electrocution in Australia, but one fatality is one too many. Tragically, during 2002, 10 fatal electrical accidents were reported, compared with 39 fatal electrical accidents when the Act was introduced in 1955, a peak of 42 fatal electrical accidents in 1959, 25 fatal electrical accidents in 1994, 20 fatal electrical accidents in 1997, and 15 fatal electrical accidents in 2000. This downward trend is encouraging, but can be improved even further. This legislation, since its introduction, has played an important role in minimising the number of fatalities and injuries.

The Minister for Fair Trading jointly administers the Electricity Safety Act 1945 with the Minister for Energy and Utilities.

Under the Act, the Minister for Energy and Utilities is responsible for regulating safety in the electricity generation, transmission and supply industries; associated accident reporting and investigation functions; registration of systems to prevent corrosion of electricity supply structures; safety inspections of private installations; and promoting the energy efficiency of electrical appliances—an important contribution to this Government's greenhouse abatement initiatives.

The Act has been rewritten in plain English. The bill before you achieves this in two ways: the provisions have been modernised, but, in addition, administration of the legislation has been split to clarify areas of responsibility.

Matters administered by the Minister for Energy and Utilities have been transferred to either the Electricity Supply Act or the Energy Administration Act as appropriate. This provides for improved administrative efficiency and enhancement of the consumer protection framework, underpinned by a comprehensive inspection and regulatory regime. The sections which provide certain powers, duties and functions to the Energy Corporation of New South Wales, the corporate entity of the Ministry of Energy and Utilities, are being transferred to the Energy Administration Act. Provision for the inspection, investigation and reporting of matters relating to network assets are more properly housed under the Electricity Supply Act.

The provisions administered under the Fair Trading portfolio prescribe a regime for safe electrical articles, the safety of electrical installations and reporting and investigation of accidents involving articles and installations.

The bill before the House has been discussed with consumer, employer and employee representatives to ensure that the legislation is appropriate for the needs of this modern, dynamic and high-tech society. The provisions of the Electricity Safety Act have been strengthened to further enhance the protection and safety of consumers.

The coverage of the 1945 Act and the technology it regulates has advanced an inordinate amount since the original legislation commenced. Part of the Act's intent was to ensure electricity was available everywhere in the State, not only where supply was commercially viable. Electricity is now used by over 99% of New South Wales household installations and the vast majority of commercial and industrial places.

The electricity industry in New South Wales is a significant and dynamic industry, with over 3 million network customers and over 280,000 kilometres of wires. Twenty licensed retailers compete to supply those 3 million customers by buying electricity from the national wholesale market and arranging for the electricity to be conveyed to their premises through transmission and distribution networks across southern and eastern Australia. As at 30 June 2002, total revenue from the sale of electricity in New South Wales was \$7.4 billion.

Whilst this Government has taken steps to reduce electricity-related accidents within households and workplace premises, it remains an unfortunate fact that accidents still do occur. Continuing the Government's initiatives to improve electricity-related safety, the powers of Ministry of Energy and Utilities inspectors and Office of Fair Trading investigators have been enhanced. In the future when undertaking an investigation, an authorised person's powers to make enquiries will not be limited to the place where a serious accident occurred. The key benefit is that all causes of an accident can now be more thoroughly investigated. Under current legislation, an investigation can be hampered by the inability of an authorised person to obtain relevant information from other sites. Investigations will also be possible at all premises where commercial activity involving electrical works and articles is carried on, although a search warrant will remain necessary for entry to the parts of places used for residential purposes.

Penalty notices will be introduced for clearly identified one-off breaches relating to electrical articles and installations. The key driver for change is to improve levels of compliance and enforcement in New South Wales and to align New South Wales with equivalent interstate legislation.

The Government is taking this opportunity to strengthen the enforcement aspects of the electricity consumer safety legislation. Maximum penalties for breaches will correspond with the seriousness of those breaches. Electricity is essential to our society, but electricity can also kill, injure and burn and irresponsible actions cannot be tolerated. Poorly manufactured electrical articles and substandard wiring work present hazards to life and property. Attempting to supply or sell an electrical article which does not meet even the minimum safety requirements will attract a fine of up to \$550,000 for corporations—\$825,000 for repeat offenders, and \$55,000 for individuals or \$82,500 for repeat offenders. A person or corporation who knowingly fails to ensure the safety of their electrical installation and therefore poses a threat to themselves, their neighbours and their environment may face similar penalties. The offence of undertaking electrical wiring work other than in accordance with the Wiring Rules has been transferred from the regulations into the Act to underscore the importance of professional electrical wiring work.

Penalties under the articles and installations regulations will also be increased to properly reflect the nature of offences. Under the regulations, a maximum of \$55,000 will apply in the case of corporations and \$27,500 for individuals.

The House should know that one of the recommendations from the review of the Electricity Safety Act is not supported.

This concerns the exclusion from the Electricity Safety Act of electrical installations which use privately generated power. We can understand that these remote installations might originally have been exempt because there were so few of them, or because they were so inaccessible. However, there are an increasing number of commercial and domestic installations with stand-alone electricity generators which have the same lethal potential as installations connected to the mains supply—approximately 5,000 of them. People who own and use these remote installations

have as much responsibility to themselves, their families, neighbours and their environment to ensure—to the best of their knowledge and ability—that the installation is safe. It is not acceptable that the responsible government authority has no power to inspect the credentials of someone doing wiring work or investigate a complaint about an electrician's work at a business or home which has been running on electricity from its own generator. This bill reflects general support for all electrical installations to be covered by this important safety legislation.

The provisions of the Electricity Safety Act relating to electrical articles and installations have been remade in this Electricity (Consumer Safety) Bill, with some amendments, to improve the administration of the legislation, to enhance consumer safety, ease the burden on suppliers of electrical articles and to underscore the serious intent of this safety regime. In addition to the measures already mentioned:

- definitions have been clarified and will be consistent across related electricity and occupational health and safety legislation;
- the power to declare the classes of electrical articles which require approval will be transferred from the Governor to the regulator, but will remain in line with the nationally consistent regime already in place;
- suppliers of all electrical articles may be required to prove that an electrical article they sell meets the minimum safety standards if there are serious questions about the safety of that article;
- suppliers will have the certainty that certificates of approval for declared articles will remain valid for the full term of the approval;
- the Commissioner for Fair Trading will be able to apply for an injunction to enforce an agreement, such as to cease the sale of an unsafe article;
- a procedure for notifying the Commissioner for Fair Trading about serious accidents relating to electrical installations and articles will be put in place;
- legal proceedings for breaches of the Act will be able to be commenced within two years after an offence is detected, but no later than five years after the offence, recognising that, for example, poor wiring work might not be detected until several years after it was done; and
- appeals against administrative decisions will be made to the Administrative Decisions Tribunal instead of the Minister.

The legislation before the House will further enhance the safety measures in place in relation to electricity supply, electrical articles and installations and therefore further protect the consumers of electricity in this State.

I commend the bill to the House.

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