

Submission
No 77

**INQUIRY INTO REGULATION OF BUILDING
STANDARDS, BUILDING QUALITY AND BUILDING
DISPUTES**

Organisation: Electrical Trades Union of Australia, NSW Branch

Date Received: 27 July 2019

Mr David Shoebridge MLC
Chair
Public Accountability Committee
Legislative Council
Parliament of NSW

26 July 2019

Dear Chair,

Inquiry into Regulation of Building Standards, Building Quality and Building Disputes

Thank you for the opportunity to contribute to the Public Accountability Committee's *Inquiry into Regulation of Building Standards, Building Quality and Building Disputes* (the Inquiry). Enclosed is a submission from Electrical Trades Union of Australia (NSW Branch). We represent members in electrical industries across NSW.

Given the breadth of the Inquiry's scope, we have focused this submission on what we believe to be the key issues the Committee should consider when forming its recommendations to improve building quality and community safety in NSW.

When the regulatory enforcement and standards of licencing for electricians are compromised, we see the building industry try to game the system to cut corners. This leaves consumers, strata committees and the public with inferior and, at times, dangerous and costly outcomes.

In summary, these key points are:

- There are **risks to the public and individuals which are inherent in Electrical products & Installations**. The Inquiry is looking at building standards and building quality. Central to the safety and quality of any building – commercial, residential, and public – is the effectiveness and safety of its electrical products and installations. The submission goes into more detail on electrical related risks and hazards and provides some examples of the nexus between community wellbeing and safe electrical systems.
- The **best way to manage those risks and hazards are to ensure that only those individuals are trained, skilled and licensed carry out the work on electrical installations**. Currently in NSW there is no independent safety regulator for the purposes of overseeing the state's electrical safety programs, auditing and inspecting electrical safety in the workplace, conducting public safety campaigns or administering a Licensed Electrical Assessment scheme.
- Licensing and other **regulatory measures are only effective risk mitigators when they are properly oversighted and enforced**. An adequately resourced dedicated industry regulator, with industry expertise and understanding, is key to delivering better safety outcomes for the people of New South Wales.



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- As NSW's electrical infrastructure continues to grow and with it so does the demand for skilled electricians, it is important that we ensure the state has the right regulations and policies in place to meet the quality and safety standards required of electrical work. A lack of quality assurance in the private training sector, accompanied by an absence of examination in the electrician licensing process pose a significant threat to the industry's future safety.

Our views on these broad themes are set out in more detail in the attached. We would appreciate the opportunity to appear before the Inquiry to provide more details and explain aspects of our submission.

Should you wish to discuss any element of this submission further please contact myself

Yours sincerely,

Justin Page
Secretary
ETU NSW & ACT Branch

1. Electrical work is high-risk requiring proper regulation

In untrained hands electrical products and electrical installations pose a real risk to the public. Risk is associated with every element of electricity and electrical installation.

Effective and safe electrical products and skilled, trained competent and licensed electricians are the only lines of protection - for households, community facilities, offices, schools, hospitals and so on - against a wide range of potential risks and hazards.

The Gas and Electricity (Consumer Safety) Act and Regulation acknowledges the importance of electrical articles, sales and disposals of electrical articles and appliances, standards, testing and inspection of electrical installation work.

In our view there is no proper enforcement of this Act and Regulation which creates serious workplace and public safety concerns. History has shown us that when Governments and the regulators do not enforce the existing regulations, public safety is compromised. In the early 2000's, unregulated importing of sub-standard electrical cabling from China flooded NSW and Australia. Thousands of homes across NSW have this ticking time bomb of inferior electrical cabling installed in their homes.

This greatly limits consumer protections who have purchased dwellings without realising they have inferior and sub-standard products used in the construction of their premises, which are likely to create defects more frequently.

This cannot be allowed to happen again.

The use of skilled, qualified, competent and licensed electricians and fit for purpose, certified products can significantly reduce the risks associated with electricity. Conversely, the use of unskilled labour and/or electrical products that are not fit for purpose can have serious impacts in terms of the electrical risks and community safety.

2. Electrical Licensing - The Need for Safeguards

A major flaw in the current NSW system is a lack of any statutory authority assessing the skills of licence applicants, relying instead upon information from the licence's employers and past educational institution/s. This process has led to a simple checklist "tick and flick" process without rigorous assessment to see whether an applicant has genuinely received the adequate training required.

Unfortunately, this exposes serious loopholes in the independence of the process. Employers seeking to simply confirm an employee's abilities for the sake of getting them licensed may be tempted to overstate the applicant's abilities. Similarly, private educational institutions that charge high fees to accredit trainees with the skills needed to gain their Certificate III and ultimately their licence, have a financial incentive to graduate as many students as possible in the most time efficient manner possible. Thus, they may choose to operate to a lower and less rigorous standards knowing that the only other group that will be responsible for checking these skills are their students' future employers and not an independent authority.

Given that this is a licence that permits electrical wiring work (as defined in the *Gas and Electricity (Consumer Safety) Act 2017*¹), a highly hazardous and complicated line of work, it is unacceptable for the state to allow for such a dangerous loophole to form in the licensing accreditation process.

3. Assessment for Electrical Licensing - A Better Way

The NSW Government can mitigate these harms by introducing a Victorian-style Licensed Electrical Assessment (LEA). The assessment would be overseen by an independent electrical safety regulator while being conducted by TAFE or a similar Government approved training provider.

The assessment would constitute 3 parts:

- An Electrical Safety Exam which tests applicants' ability in the disconnection and reconnection of electrical equipment and its associated wiring from the mains supply.
- A Practical Competency Exam which tests applicants' wiring abilities with regards to both a meter box and a switchboard, MEN system testing, capacity to identify visual defects and to conduct testing of an installation.
- A Theoretical Exam which would tests applicants' knowledge of electrical safety, wiring rules and regulations, cable selection, maximum demand, voltage drop, transformers and the MEN system.

In order to receive a passing grade, applicants would be required to achieve a score of 75% or higher in each test to ensure the highest possible standard is set for safety in the industry.

4. Impact on Vocational Education and Training (VET) System

For electrotechnology, the introduction of a Licensed Electrical Assessment helps to hold to account both private training providers and TAFE. The assessment regime will raise the market standard so that conflicted decisions are resolved by outcomes at the assessment stage – regardless of which pathway the applicant has come through.

Despite Federal Government reforms pursued in 2015, in an effort to clamp down on dodgy practices in the sector², serious malpractice continues. Between October 2016 and May 2018, 7 different private training providers had their licences revoked for breaching educational standards in one Western Sydney postcode alone³. People that rely upon these private VET institutions are disproportionately poorer and older whilst being less likely to end up obtaining a qualification of value⁴.

By adding an LEA into the licensing process for electricians, the NSW Government would be installing a rigorous check-and-balance mechanism to ensure that private VET providers were teaching their students to high standards and were unable to cut corners in their curriculum.

5. The Status Quo's Complex Relationship with Safety

Currently in NSW, the electrical licensing system follows a study -> experience -> licenced model. New electricians must receive a Certificate III in electrotechnology to be allowed to perform electrical work. The Certificate III is a 3-4 year course offered by TAFE⁵ and private providers that typically operates in

conjunction with an apprenticeship. It covers the essential skills needed to conduct electrical work such as installations, testing and fault repairs⁶.

In conjunction with the Certificate III, a minimum of 12 months working in a supervised electrical environment is required to receive a Certificate of Proficiency from the NSW State Training before applicants can proceed to seeking an unsupervised work electrical licence⁷.

The application for an electrical licence allowing successful applicants to work unsupervised is handled by Fair Trading NSW, an authority primarily tasked with safeguarding consumer rights and advising businesses on unethical trading practices⁸.

Upon receipt of an application, Fair Trading will vet the applicant's qualifications, and upon confirming their legitimacy will provide a licence without completing any independent assessment of the applicant's knowledge or capacity to undertake the work they are being licensed to perform.

6. Mandating a Licensed Electrical Assessment

The NSW Government should adopt a Licensed Electrical Assessment scheme, whereby after 12 months of supervised work, in conjunction with holding a Certificate III in Electrotechnology, new applicants seeking an unsupervised work licence would complete a 3 part assessment based on theory, safety and practical competency to ensure the highest safety standards in the electrical trades industry.

7. The lack of a proper Electrical Safety Regulator

The current system in NSW fails to take into account the necessity of agency specialisation when it comes to matters as complex and important as electrical safety. In NSW there are two regulators who look after different aspects of Electrical Safety.

Currently SafeWork is the safety regulator. Safework enforces the requirements of the WH&S ACT, but does not enforce the licensing requirement of electrical work being performed by licenced electricians.

The Department of Fair Trading is responsible for electrical licensing in NSW. This department has no inspectors that enforce the licensing requirement of electrical work being performed by licenced electricians.

On numerous occasions, ETU Officials have made applications to the NSW Department of Fair Trading to report unlicensed electrical work being carried out. To our knowledge, our reports have not been acted upon and the building company has been allowed to continue the dangerous practice of using unlicensed electricians in defiance of the Act.

There is a major deficiency that neither regulator is effectively policing electrical licensing requirements on electrical installation work being carried out across NSW. This compromises the industry which leads to poor practices and building standards putting consumers, the building industry and the public at a significant disadvantage. It means that consumers are not getting the high standard of workmanship that they legally should expect, and builders can cut corners without consequence, leaving the public with an inferior product and at times a hazardous one too.

Having a central authority with energy safety at its heart would ensure that we can foster an environment specifically focused on this key issue, whilst relieving other government agencies and allowing them to focus on their primary areas of expertise.

Victorians currently enjoy an independent energy safety regulator, Energy Safe Victoria (ESV). The ESV is responsible for energy, gas and pipeline safety throughout the state⁹, whereas electrical work in NSW is currently administered by both SafeWork¹⁰ and Fair Trading¹¹.

As opposed to splitting up the responsibility among multiple government agencies, consolidating energy safety under the authority of one regulator promotes a more efficient and coherent structure of regulation.

Guidance can be taken from the *Energy Safe Victoria Act 2005*¹² and its associated Acts for NSW legislators in determining what a NSW Energy Safety Regulator would hold responsibility for. An effective regulator should be responsible for the following:

- Overseeing licensing assessments
- Auditing workplace electrical safety
- Employing inspectors to probe gas and electricity issues in homes and businesses
- Conducting community engagement campaigns on gas and electricity safety
- Advising education regulators on auditing processes for training programs regarding electrical work
- Working with employers to improve policies on electrical work

Suggested finding: Effective licensing regulation is crucial to improving building standards and improving consumer protection

The construction and building boom in NSW presents great opportunity for electricians in NSW. However, when the NSW Government fails to train and regulate the hazardous and dangerous work done by licenced electricians, this boom will lead to compromised safety for workers, shonky building practices and standards and consumers will be greatly disadvantaged through sub-optimal work and at worse case, dangerous work.

For these reasons we are appealing to this inquiry to consider our recommendations which will improve the licensing regime of electricians in NSW, including strengthening training and accreditation and enforcing regulation of the licenced electrical trade.

Suggested recommendations:

- 1. That NSW adopt a new system for licensing electricians and electrical work in NSW, based on an independent examination process.**
- 2. That NSW establish a single government agency with responsibility for licensing electricians and auditing and inspecting electrical work.**

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