

NECA response IPART's Draft Report - Retailers metering practices in NSW - October 2018

Introduction

This document sets out NECA's response to IPART's draft report into smart metering practices. It includes:

- 1. Context and NECA position**
- 2. Concerns with IPART's report into metering practices**
- 3. NECA's proposed solution**
- 4. Concluding comments**

When IPART reviews and finalises its report into smart metering, NECA asks it:

- Revises the report to reflect the importance of safety.
- Clarifies what is meant by a new accreditation and outlines how it will guarantee safety standards.
- Considers NECA's alternative proposal outlined in this document.

1. Context and NECA position

NECA welcomes IPART and the NSW government inquiring into smart metering following major issues for consumers and industry following the introduction of the Power of Choice reforms. NECA has made several submissions to relevant bodies on the problems, which, for brevity, we will not repeat here.

In summary, the smart meter installation market in NSW is not fit for purpose and the Power of Choice reforms have had unintended damaging consequences.

While we agree with IPART that 'one party should be accredited and authorised to undertake all works necessary for meter installations' (1.2.1), we disagree with IPART's recommendation on how to do this.

We are deeply concerned that creating a new 'lower level' accreditation would have serious safety implications for consumers and those doing metering work, and would further reduce safety standards that have already fallen since the introduction of Power of Choice.

There is already "one party" that is qualified to complete all smart metering work safely; ASP Level 2Ds.

NECA therefore proposes a safe and cost-effective alternative; introducing an amendment to the ASP scheme which creates a new subcategory for smart metering and brings MSPs/retailers into the scheme.

2. Concerns with IPART's report into metering practices

i. **The recommendation would reduce safety standards and put lives at risk**

Under the current system, metering technicians are trained by MSPs. The training is not audited, MSPs are not RTOs with experience delivering training and subsequent installation work is rarely inspected. This is very dangerous and has inevitably led to a reduction in safety standards of metering work.

NECA has evidence from members of the fall in standards. For example, one consumer in Goulburn was receiving electric shocks from a tap following the installation of a smart meter (see appendices for two examples).

IPART's recommendation would further reduce safety standards. The training requirements to do certain dangerous work, such as operating service fuses and conducting live work (Clause 3.2 & 3.3), have been developed over decades and are in place to keep people safe. They are not 'excessive' and removing them will put lives at risk.

TAFE deliberately stopped training apprentices in this area because of the dangerous nature of the work. As a consequence, electricians are not currently equipped to deal with the hazards of doing the type of work envisaged by IPART.

If a new training program is to be developed:

- ASP Level 2Ds should automatically be given the qualification
- It must be based on a National Competency, and run by an RTO and regulated by the Australian Skills Quality Authority

ii. The report ignores the availability of a trained workforce ready to complete metering work.

There are more than 1400 electricians with the ASP Level 2D qualification (see list [here](#)). This workforce is trained, ready and able to complete all metering work. Utilising them, within a system where they could access smart meters in a timely manner, would result in considerable efficiency savings.

There is a clear precedent for this in the previous regime which worked well and saw consumers getting meter work done quickly at a fair price.

iii. The report identifies extensive problems with how the rollout is being managed but offers no solution beyond reducing safety standards.

We strongly disagree with the finding that: '*The restrictions on metering providers' abilities to carry out all necessary works to install a meter constitute the biggest cause of delays for meter installations*'. It is the experience of NECA members (see original submission to the inquiry) and reflected in much of the evidence in IPART's draft report, that delays are caused by administrative problems, including a lack of planning and capability to manage the installations by parties new to the system. This is reflected in delays reducing as these parties have adapted to their new roles.

ASP Level 2D NECA members seeking to undertake metering work under the new scheme have faced significant problems getting smart meters from MSPs, suggesting the delays are not the result of the restrictions.

The restrictions are safety training requirements that ensure workers doing technical and potentially dangerous electrical work have the skills to do it safely.

iv. The recommendation could add another layer of complexity in a market that needs simplifying

Creating a new accreditation will take time and add further complexity and cost to a market that should be simplified.

Furthermore, it would require changes to existing safety regulations. Achieving this would be very difficult requiring the involvement of far more stakeholders. This would be a slow and resource-intensive process.

3. NECA's proposed solution

NECA recommends bringing metering back within the ASP scheme by creating a new subcategory and making retailers/MSPs a participant in the scheme with a role like that of distributors.

This would be a simple and cost-effective way to achieve IPART's desire that 'one party should be accredited and authorised to undertake all works necessary for meter installations'.

A potential meter installer would undertake training administered by a RTO, which would be regulated by the Australian Skills Quality Authority. This would ensure ongoing quality of training provision, removing the ambiguity in the current *Code for safe installation of direct connected electricity metering* that has led to falling safety standards.

The meter installer would pay for the training and subsequent annual refresher courses. This would remove the cost from MSPs, which is passed on to consumers. The initial training would be based on the current ASP Level 2D qualification and we suggest those already with this automatically qualify; ensuring a workforce ready to install meters once the change is implemented.

The newly accredited installer would then be able to complete all metering work and MSPs would simply have to teach their administrative processes to installers.

The ASP scheme is made in clause 26 of the Electricity Supply (Safety and Network Management) Regulation 2014. As a statutory instrument, it would be a relatively straightforward legislative process to make the desired amendment.

Mobile workforce

Such an amendment would create a mobile workforce and competitive market that is fit for purpose. ASPs would be free to work for any and all MSPs.

This would resolve many issues. For example, currently, an electrician installing smart meters in a strata building may need to engage and undertake training for several different retailers to be able to install the meters. Under our proposal, an accredited electrician would be able to install meters for any retailer.

It would also provide a solution to delays in regional areas where the low amount of work means there is a shortage of metering technicians. The ASP scheme has catered effectively for these areas, as the accredited party can undertake a variety of different work and is not reliant solely on metering.

Costs

There are many direct and indirect costs that need to be considered when calculating the overall financial impact of smart metering installation; from the meter itself to lost work days for householders staying at home to give access to installers, to setting up and administering training schemes.

All things considered, NECA believes its proposed solution delivers the most cost-effective outcome for consumers.

The precedents

NECA's proposed change has two precedents providing clear models for how success can be achieved.

1. The previous meter installing scheme, which had no major issues.
2. Under the Australian Communications and Media Authority's (ACMA) Cabling Provider Rules, all communications cabling work in the telecommunications, fire, security and data industry must be performed by a registered or licensed cabler.

Persons must obtain cabling registration with an ACMA accredited registrar. To register, they must have evidence of training in relevant competencies from an RTO.

How this can be done

There is potential for support from all stakeholders for this solution.

A short review of the ASP scheme led by the Department for Planning and Environment would be required with consensus from stakeholders before the necessary amendment is made by the Minister.

This is the only acceptable solution that maintains safety and achieves the objective of making the smart meter market fit for purpose.

Concluding comments

NECA will continue to work with all stakeholders to resolve metering issues in NSW.

We thank IPART for the opportunity to respond to its draft report and colleagues are of course available to discuss this in further detail.

NECA background

NECA - the National Electrical and Communications Association, is the peak industry body representing the interests of the electrical and communications contracting industry across Australia. We have close to 5,000-member organisations and our members employ around 100,000 people.

The National Electrical and Communications Association (NECA) is the peak industry body for Australia's electrical and communications contracting industry, which employs more than 145,000 workers and delivers an annual turnover in excess of \$23 billion. We represent over 5,000 electrical contracting businesses across Australia.

NECA represents the electrical and communications contracting industry across all states and territories. As a result of NECA's bi-annual industry survey, we are aware that NSW is the chosen headquartered state for many of the larger electrical contractors, making NSW issues critical for our members and the industry at large.

NECA aims to help our members and the wider industry to operate and manage their business more effectively and efficiently. To this end, NECA NSW owns and operates a Group Training Organisation, Registered Training Organisation, and its own Law Firm which all provide valued and industry focussed services to our members.

NECA represents members' interests to Federal and State Governments, regulators and principal industry bodies such as the Australian Chamber of Commerce and Industry (ACCI) and Standards Australia.

In NSW, NECA members include many of the 1400 ASP Level 2Ds who have been at the forefront of meter installation for decades. They are ideally placed to help develop an effective and safe metering market.

Appendices – [REDACTED]

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