

Significant issues impacting the agency

This section provides information on the current and emerging significant issues and trends impacting the department's operations.

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Consumer Protection

Reducing costs without compromising standards

Consistent with the State Government's focus on reducing red tape, the Consumer Protection Division will be responsible for implementing a number of policy decisions that seek to reduce costs for businesses and government, without compromising existing standards. For example, the State Government is proposing to abolish the licensing of employment agents and replace it with a negative licensing scheme that will retain the existing level of protection for job seekers.

Modernising corporate and business structures

The Consumer Protection Division will be engaged in the implementation of proposed new legislation affecting different corporate and business structures. The [Associations Incorporation Bill 2014](#) was introduced into Parliament in September 2014 and is expected to be enacted and implemented during 2015–16. Implementation will introduce new governance arrangements for over 17,000 incorporated associations.

The State Government proposes to introduce a new Limited Partnership Bill into Parliament in 2015, which will enable Western Australian investors to access Commonwealth Government incentives for venture capital investment through incorporated limited partnerships.

The State Government also proposes to introduce amendments to the [Co-operatives Act 2009](#) to facilitate interstate trading by Western Australian co-operatives and provide for a modern, nationally consistent regulatory regime.

Continued enhancement of housing and tenancy laws

Housing and tenancy will continue to be an area of focus for the Consumer Protection Division, with the first stage of the State Government's retirement villages reforms completed in April 2015. In 2015–16, work will continue on the second stage reforms to implement the balance of recommendations of the statutory review of retirement villages' legislation. Work will also continue on the review of the [Residential Parks \(Long-Stay Tenants\) Act 2006](#), with the focus being on the drafting of amendments to that Act to implement the review. The department will also work with the Department of the Attorney General to implement the recommendation of the Western Australian Law Reform Commission to amend the [Residential Tenancies Act 1987](#) to address difficulties faced by tenants who are affected by family or domestic violence.

Consultation on the need to regulate boarding and lodging arrangements will continue during 2015–16.

Safety and Employment Protection and Construction Standards

Home Indemnity Insurance

In October 2014 Cabinet approved a two year extension to current reinsurance arrangements to ensure the continued provision of home indemnity insurance cover for new home buyers. To more transparently manage this arrangement, the department has established an agency special purpose account to hold premium income and to fund future reinsurance claims. Funds began to accumulate in this account from November 2014. The Building Commission is working closely with insurers QBE and Calliden to monitor risk and to ensure premiums are sufficient and accurately attributed to builders. The Building Commission is also working with the building and insurance industries to explore amendments to the [Home Building Contracts Act 1991](#) to provide flexibility of cover and insurer. These are important steps in making the home indemnity insurance scheme suitable to return to private sector underwriting.

Increase in Building Services Levy

In March 2015 an increase in the Building Services Levy from 0.09 per cent to 0.137 per cent, to have effect from 1 July 2015 was announced. An increase in the levy was needed to meet the Building Commission Division's full operating costs and to provide a source of funding over the next three to five years for a second phase of building and plumbing regulation reform. This reform will focus on the electronic enablement of these industries to reduce costs and provide reliable and comprehensive building information. Key projects include electronic lodgement and processing of building permits and plumbing notices, electronic lodgement of registration and licensing applications, and a series of legislation amendments to deliver consistent application of building and plumbing regulation across the State.

Reform of plumbing regulation

Following on from the ACIL Allen review of plumbing regulation in 2013, the Building Commission has progressed a number of interim regulatory reforms and undertaken significant policy work on the development of a new Plumbing Act. The most important reform has been the introduction of the Plumbing Code of Australia as the primary plumbing standard, and with it the opportunity for licensed plumbers to use performance solutions for plumbing installations. This provides greater flexibility for the industry to innovate and deal efficiently with problems that did not fit the previous prescriptive standards. The Building Commission and the Plumbers Licensing Board must adapt notice and inspection processes to deal with more sophisticated and technically challenging plumbing work, and ensure that plumbers and consumers are well educated in the new Code.

The Plumbing Code of Australia forms part of the National Construction Code, and there will be further challenges in accurately and correctly delineating plumbing and building standards, and developing a standards-setting and regulatory framework that meets the particular needs of both industries.

Energy Safety Bill

Drafting is well advanced on the new Energy Safety Bill 2015. It consolidates into one Act the outdated [Electricity Act 1945](#), [Gas Standards Act 1972](#), parts of the [Energy Coordination Act 1994](#), and the [Energy Safety Act 2006](#). The Bill recognises major changes to the electricity industry, where many homes and businesses generate and store electricity using solar panels and batteries. Provisions for licensing gas fitters and operation of gas distribution networks will be modernised.

Electricity (Network Safety) Regulations 2015

[New Electricity \(Network Safety\) Regulations 2015](#) will replace the existing [Electricity \(Supply Standards and System Safety\) Regulations 2001](#). The new regulations will delete all references to metering as this is not a safety matter. Regulations about 'safety cases' will also be deleted. The new regulations require network operators to develop and implement a safety management system that complies with Australian Standard AS 5577-2013 *Electricity network safety management systems*. All Australian Governments have agreed to reference this standard in legislation that deals with the safe design, construction, maintenance, operation, and decommissioning of electricity networks under their jurisdiction. It is anticipated the new regulations will be operational in August 2015.

High-voltage switch maintenance

On Tuesday 3 February 2015, a high voltage fuse/switch exploded at Morley Galleria Shopping centre in Russell Street Morley. The explosion killed two people and two others suffered serious burns. The damage caused by the explosion also required the shopping centre to bring in temporary generation units while the substation was being replaced.

This accident is being investigated by the WorkSafe and EnergySafety divisions under their respective legislation. To protect the functional integrity of both divisions and to reduce duplication, inspectors from the EnergySafety Division were also appointed as inspectors under the [Occupational Safety and Health Act 1984](#). The investigation is complex and has required deployment of significant inspection and engineering resources. The investigation is continuing.

At an early stage in this investigation, EnergySafety became aware that it was unsafe, following the operation of a fuse, to carry out the switching, repairs or maintenance of this type of high voltage fuse/switch unless it was completely isolated from the electricity supply and electrically dead. Therefore, Orders were issued to make this a legal requirement.

Overhead power lines and private wood poles

Bushfires in Parkerville in January 2014 and Chidlow in December 2012 were ignited by fallen private power poles that were old and poorly maintained. The EnergySafety Division is working with network operators and the public to improve the safety of these private power poles. It has circulated a discussion paper to electrical contractors and industry bodies, setting out a planned approach to pole selection and overhead cable selection. The response of private owners to the State Government's recommendation to have their wood poles and overhead power lines inspected by an electrical contractor will be assessed well ahead of the 2015–16 bushfire season. To gauge the extent of voluntary compliance with the recommendation a count will be made of the amount of private land owners who have had their poles and cables renewed.

Electrical Accident – Greenfields

On Monday 16 March 2015 two teenagers received electric shocks from a damaged street light pole in Kirkpatrick Drive, Greenfields. One of the teenagers required hospitalisation. Prior to this accident a vehicle had crashed into the pole, damaging its internal wiring. Western Power attended this crash and determined that it was not responsible for the repair and maintenance of the street light but checked that it was not live. Sometime later a Western Power employee, while working in the area, reconnected the electricity supply to this damaged and unsafe street lighting installation. This investigation is continuing.

Electricity inspection resources

During the year the EnergySafety Division advertised a senior electrical inspectors' pool to fill the vacancies in the Electricity Compliance Directorate. These additional senior electrical inspectors are required to assist with managing the division's more serious compliance functions in a timely manner. Even though there has been a downturn in the mining sector and the EnergySafety Division is offering an incentive payment on top of the base salary, it has proven difficult to attract inspectors with the necessary skills that can be trained and developed to fill these positions effectively. However, during the year the vacancy rate was reduced to four senior electrical inspectors. It is proposed to continue with the senior inspectors' pool advertisements in the next year.

Labour Relations Legislation Amendment and Repeal Bill 2012

The draft Labour Relations Legislation Amendment and Repeal Bill 2012 was tabled in Parliament in November 2012 as a Green Bill for the purposes of public consultation. Further amendments have been made to the Green Bill as a result of the consultation process. The department has provided advice to the State Government on stakeholder feedback, as well as possible amendments to the Green Bill. Once the State Government has considered the proposed changes, the department will be responsible for progressing the final drafting of the bill.

Work Health and Safety Bill

A Western Australian version of the model Work Health and Safety Bill developed by Safe Work Australia for implementation by Australian states and territories was released for public comment. Following closure of the public comment period on 30 January 2015, the State Government is reviewing the comments made to consider the best legislation for Western Australian workplaces.

Licensing and registration revenue

The department has seen a marked reduction (-21 per cent) in licensing and registration revenue during 2014–15 compared to previous years due to the construction phase of the mining boom coming to an end and the downturn in the economy in general. As an important revenue stream for the department, such revisions will have a negative impact on WorkSafe's overall budget.

Industry and Technology; Corporate Services

Local Content

While a number of factors continue to work against local manufacturers, the Industry and Innovation Division continues to implement the Local Industry Participation Framework. The department plays an active role in chairing both the Chevron Wheatstone and Woodside Browse Local Content Steering Committees. Departmental officers also attend the Chevron Gorgon and Shell Round Tables to ensure local content activity is high on the agenda with major project proponents. Such relationships continue to ensure an open and equitable market for local suppliers whilst also assisting to increase their international competitiveness. Government infrastructure projects also provide opportunities across the state.

Defence industry and the Australian Marine Complex (AMC)

The Industry and Innovation Division continues to work together with Western Australian industry to pursue opportunities to supply components, defence systems and maintenance to the existing and future submarine fleet, and to increase its role in construction and maintenance of the naval surface fleet. The ability of Western Australian industry to provide defence contracting services to the full range of vessels relies on access to the required capacity through the AMC Common User Facilities. The Industry and Innovation Division will continue to implement recommendations contained in the state's response to the Defence White Paper 2015, and in the state's response to the 2015 Senate Inquiry into the Future of Australia's Naval Shipbuilding Industry.

Relocation Project

On 20 November 2013, the Economic and Expenditure Reform Committee (EERC) approved the relocation of the department to the Mason Bird building in Cannington and Gordon Stephenson House in Perth, and the termination of high cost leases in the Perth CBD and CBD fringe. In addition, the EERC requested that the department develop a paper (in consultation with the Department of Finance) as part of

the 2014–15 Budget process, to quantify the financial impacts of the relocation.

A business case was then developed to quantify actual financial impacts of the proposed relocations, and this was tabled at EERC on 5 March 2014. It was expected that the relocation would result in considerable savings for the department.

The project required the relocation of over 850 staff from seven sites to three. The refurbishment works were completed in a staged approach in consultation with management and staff.

The first phase of the move commenced on 15 August 2014 with the relocation of the Worksafe, Building Commission and Corporate Services Divisions to the Mason Bird building in Cannington.

The first phase also saw most of the Consumer Protection Division relocated to Gordon Stephenson House, with the remainder of Consumer Protection, along with the Labour Relations Division and the Office of the Director General, moving to the West Centre in West Perth.

Phase 1 of the relocation project was completed smoothly and within the projected timeframes. It has provided a workplace that is modern, light, and open with creative spaces for staff to meet and network. The new accommodation allows for new ways of working, with greater emphasis on collaboration across divisions using a more flexible design which can be easily adapted to changing business workflows and processes.

Phase 2 of the relocation project will commence in October 2015, with the planned move to happen in July 2016. This move is due to the expiry of the lease at the WestCentre on 13 August 2016.