

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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Significant issues and trends

Building Commission

Building approvals

The [Building Act 2011](#) ensures construction and maintenance of buildings are compliant with building standards. Improved online application and processing, effective private sector assessment, and improved local government monitoring and enforcement, facilitate continuous improvement of building approval and certification processes. These processes provide the foundation for responsive action pending outcomes of national reviews and building standard-related incidents, including the London Grenfell Tower fire.

Home Indemnity Insurance

Following an actuarial review of the State's home indemnity insurance (HII) liabilities and premium structure, the government agreed to increase home indemnity insurance premiums for certain builder groups, effective 30 September 2017. This targeted increase represents a rebalancing of a legacy pricing structure and is the first step in policy reform. The current HII arrangements whereby QBE Insurance Group Limited (QBE) and Great Lakes Australia (GLA - formerly Calliden Group Ltd) issue HII and manage claims, with 100 per cent State backing, offers important cover for new home buyers should their builder be unable to complete construction or rectify defaults due to insolvency, death or disappearance. The arrangements with QBE are contracted to 31 October 2018 whilst the arrangement with GLA expires 31 October 2017. A working party with representation from the department, the Department of Treasury and the Insurance Commission of Western Australia is evaluating options for the broader reform of HII in Western Australia with a recommendation likely to be put to Cabinet by the end of the year.

Security of payment

The Government has committed to improve security of payment for contractors, subcontractors and suppliers operating in the building and construction industries through a variety of legislative, contractual and educational reforms. These reforms will require the department to consult widely regarding available options and to work with government agencies to facilitate delivery.



Consumer Protection

Code of Conduct – prepaid funerals

The Government has announced that a mandatory code of practice will be developed to regulate prepaid funeral funds in Western Australia. Prepaid funeral products have become increasingly popular with consumers who can pay large sums of money upfront for funeral arrangements. Consumer Protection will develop a draft code of practice for public consultation. The code will be designed to ensure that organisations selling funeral plans are held to high standards of conduct and that prepaid funeral monies are appropriately invested and protected.

Charitable Collections Act 1946

Consumer Protection will pursue a range of administrative initiatives and legislative amendments to the [Charitable Collections Act 1946](#). In the current regulatory environment, where many licence holders already provide financial information to a variety of funding and regulatory agencies, this often results in unnecessary and unreasonable duplication in regulatory requirements. The proposed legislative changes will ensure consistency with respect to investigative powers while administrative reforms are designed to allow the streamlining of financial reporting.

Retirement villages

As a result of emerging business models for the operation of retirement villages, and specific criticism and concern about retirement village contracts, regulators across Australia are examining a range of contractual issues. Consumer Protection will continue to focus on the management and operation of retirement villages in 2017–18, with a focus on any identified unfair contract terms and the application of deferred facilities or management fees. Work on the second stage of amendments to retirement villages' legislation is also currently being progressed and will see the remaining recommendations from the statutory review addressed.

Significant changes in legislation

The Government has announced that amendments to the [Residential Parks \(Long-stay Tenants\) Act 2006](#) will be made to implement recommendations from the statutory review of the Act. Key issues addressed by the recommendations relate to certainty of contract, costs transparency and balance to ensure the viability of the sector. An amendment Bill will be drafted for introduction into Parliament in 2017–18.



Family violence is a key community issue that also impacts residential tenancy arrangements. At the end of January 2017 consultation closed on possible options to reform the [Residential Tenancies Act 1987](#) to deliver better outcomes for victims of family violence. Following analysis of submissions and further consultation where required, a report will be prepared for the Government making recommendations to amend the Act.

The national review of the operation of the Australian Consumer Law (ACL) was completed

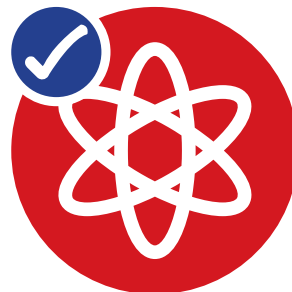
during 2016–17 and resulted in a range of proposed legislative amendments and further policy development that will be considered by consumer affairs Ministers early in the new financial year. Western Australia is actively involved in developing the amendment proposals and policy. In advance of the proposed reforms an amendment to the application mechanism in the *Fair Trading Act 2010* will be sought to provide for the automatic application of future amendments to the ACL.

EnergySafety

Energy Safety Bill

The energy sector has significantly evolved over recent times due to advances in energy-generation and storage technology. The Minister for Commerce and Industrial Relations has provided his consent for a review of the legislative framework administered by EnergySafety to be undertaken to ensure it reflects the reality of this sector. The outcomes of the review will inform the extent the legislative has to be amended. The proposed amendments will also aim to simplify and remove:

- any provisions that are no longer EnergySafety's responsibility;
- any inconsistencies or conflicts between pieces of legislation; and
- any overlaps that have occurred.



Review of safe electrical work practices

The Government has endorsed the joint EnergySafety and WorkSafe proposals to ban work on energised electrical equipment after the deaths of three electrical workers in 2013–2014 and 2014–2015 in Western Australia. The proposed

changes to the Electricity (Licensing) Regulations 1991 and Occupational Safety and Health Regulations 1996 accompanied by Explanatory Notes and Code of Practice were circulated to industry in January 2017. The consultation period closed 31 March 2017 and EnergySafety has been working with the Parliamentary Counsel's Office (PCO) on accommodating feedback received during the consultation. While progress is dependent on the PCO's drafting priorities, EnergySafety is hopeful amendment regulations and the associated Code will be published around September 2017.

The changes aim to improve safety of electrical workers working on or near energised electrical equipment. They will also improve safety of all workers entering the ceiling space of domestic properties by requiring the electricity main switch to be turned off before any work is undertaken in the ceiling space. These initiatives will significantly improve the safety of Western Australian workers.

Labour Relations and Industry Development

Public Sector Wages Reform

The Government has commenced the first round of extensive reforms aimed at driving cultural change and creating cost savings across the public sector. An overhauled Public Sector Wages Policy commenced on 12 May 2017 and key industrial agreements covering approximately 80,000 public sector employees will be re-negotiated under the new Wages Policy setting in the 'first half of' the 2017–18 financial year. The department's Public Sector Labour Relations directorate will provide strategic and operational industrial advice on the development of the Wages Policy.

WorkSafe

Work Health and Safety Bill

The Government approved development of a new Work Health and Safety Bill which, based on model Work Health and Safety laws, will modernise and consolidate primary workplace health and safety legislation for the resources sector and general industry. The Bill will be supported by regulations aimed at aligning and improving consistency

between specific categories of industry at a State and national level.

Increased penalties for offences under the Occupational Safety and Health Act 1984

WorkSafe carried out work to increase penalties for offences under the [Occupational Safety and Health Act 1984](#). The outcome from the amendments will be increases to the penalties so that they are consistent with those in the national model Work Health and Safety Act.

Department

Online Licences Project

The Online Licences Project was initiated to simplify, standardise and offer a more convenient way for the citizens of Western Australia to apply for occupational licences and provide broader access to services. The project has delivered the foundational components in the first phase and is moving to a focus of integration and working with external business stakeholders before launching to the public. For WorkSafe, work is progressing regarding high risk work licence applications with a soft launch predicted for September 2017.

2017 Machinery of Government changes

Following the Machinery of Government changes announced by the Premier, the Hon. Mark McGowan MLA, on Friday 28 April 2017, the department's regulatory divisions amalgamated with the Department of Mines and Petroleum on 1 July 2017 to create the new Department of Mines, Industry Regulation and Safety. The Industry Development directorate, of what was the Labour Relations and Industry Development Division, joined the newly created Department of Jobs, Tourism, Science and Innovation.

The Department of Mines, Industry Regulation and Safety currently has three key business groups – Resources, Titles and Compliance; Safety; and Industry Regulation and Consumer Protection, and on behalf of the Western Australian Government works to ensure a safe, fair and responsible future for the community, industry and resources sector.