

OFFICE OF THE CHIEF ELECTRICAL INSPECTOR  
ANNUAL REPORT 1 JULY 2004 TO 9 AUGUST 2005



# TABLE OF CONTENTS

<b>OVERVIEW</b>	<b>3</b>	<b>REVIEW OF OPERATIONS</b>	<b>7</b>	<b>PERFORMANCE MEASURES</b>	<b>22</b>
The Organisation	3	Establishment of	7	Corporate Performance Measures	22
Corporate Vision	3	Energy Safe Victoria		Key Performance Indicators	23
Corporate Mission	3	Major incidents and skills shortages	7	Corporate Services	24
Objectives	3	Overhead powerlines	7		
<b>CHIEF EXECUTIVE'S REPORT</b>	<b>4</b>	Dangers of working "live"	8	<b>FINANCE</b>	<b>26</b>
<b>THE ORGANISATION</b>	<b>6</b>	Injury Incident Information	8	Financial Statements	27
		Skilling for the future	8	Accountable Officer's and	37
		Electricity Safety Management	9	Chief Finance & Accounting	
		Schemes		Officer's Declaration	
		Safety switches	9	Auditor General's Report	38
		Home Safety Inspections	9	<b>CORPORATE INFORMATION</b>	<b>40</b>
		Certificate of electrical safety	10	Audit Committee	40
		Ageing infrastructure	10	Freedom of Information	40
		Fires	10	National Competition Policy	40
		Equipment Safety	10	Statutory Information	40
		Christmas lights and decorations	11	Customers	41
		Dangerous unapproved products	12	Whistleblowers Protection Act 2001	41
		Mandatory insulated plug pins	12	Information Privacy Act 2000	49
		Regulatory Compliance Mark (RCM)	12	Committees	49
		Equipment efficiency	12	Victorian Industry Participation Policy	49
		Licensing	13	Disclosure of Major Contracts	49
		Policy concerning Technical	14	Building Act 1993	49
		Supervisors for Registered		Energy Efficiency Government	49
		Electrical Contractors		Buildings Policy	
		Disconnect / Reconnect licences	14	Disclosure Index	50
		Communicating licensing issues	14		
		New electrical licensing assessment	14		
		A Class licenses	15		
		Electrical Installation Safety	15		
		Network Supply Industry Audit	16		
		Basslink and Other DC	16		
		Interconnectors			
		Wind Farms	16		
		Electrolysis	17		
		No Go Zone initiative	17		
		Undergrounding	17		
		Registration of lineworkers	18		
		Electric line clearances	18		
		Bushfire Mitigation	19		
		Legal and Compliance	19		
		Financial Performance	20		
		OCEI communications process	20		
		Communications with stakeholders	20		
		Communications with the community	21		

## PRINCIPAL OFFICES

### Head Office

Level 3, 4 Riverside Quay,  
Southbank Vic 3006

### Postal Address

PO Box 262, Collins Street West,  
Vic 8007

Telephone 03 9203 9700

Facsimile 03 9686 2197

Website [www.esv.vic.gov.au](http://www.esv.vic.gov.au)

Email [info@esv.vic.gov.au](mailto:info@esv.vic.gov.au)

ABN 33 592 662 340

### Nunawading Office

15A Ceylon Street,  
Nunawading 3131

Telephone 03 9875 5400

Facsimile 03 9877 8441

### Ballarat Office

32A Doveton Street North, Ballarat

### Postal Address

PO Box 700, Ballarat 3353

Telephone 03 5331 9478

Facsimile 03 5331 9485

The Office of the Chief Electrical Inspector  
has a new name –

## ENERGY SAFE VICTORIA

Energy Safe Victoria is the new regulator responsible for electricity and gas safety in Victoria. It has been formed through the amalgamation of the Office of the Chief Electrical Inspector (OCEI) and the Office of Gas Safety (OGS).

Energy Safe Victoria has the same objectives, functions and powers as OCEI and OGS and will continue to administer the Electricity Safety Act and the Gas Safety Act.

The OCEI's last day of operation was 9 August 2005. The reporting period for this annual report is an extended one and contains information from 1 July 2004 until 9 August 2005, unless otherwise specified.

For further information about Energy Safe Victoria visit [www.esv.vic.gov.au](http://www.esv.vic.gov.au)

# OVERVIEW

As the independent technical regulator responsible for electrical safety and equipment efficiency, the Office of the Chief Electrical Inspector (OCEI) is at the forefront of shaping safety standards for the electrical industry in Victoria and, in many instances, nationally.

## THE ORGANISATION

The OCEI was created on 3 January 1994 through the enactment of the Electricity Industry Act 1993. Its role was further enhanced through the enactment of the Electricity Safety Act 1998, under which it currently operates. The Electricity Safety Act 1998 is administered by the Minister for Energy Industries and Resources.

As a result of an extensive review of Victoria's main energy regulators, on 10 August 2005, OCEI became part of the newly established Energy Safe Victoria (ESV) through the enactment of the Energy Safe Victoria Act 2005. ESV has the same objectives, functions and powers as OCEI and will continue to administer the Electricity Safety Act.

## CORPORATE VISION

To demonstrate national leadership in electrical safety matters and to improve the superior electrical safety record in Victoria.

## CORPORATE MISSION

To ensure the safety of electricity supply and use throughout Victoria.

## OBJECTIVES

### Safety

Minimise injury, loss of life and damage to property due to electrical causes.

### Equipment Efficiency

Maximise the number of electrical products on display carrying the energy rating label as determined by the Ministerial Council on Energy.

### Compliance

Maximise compliance by all sectors of the electrical industry and other associated industries.

### Customer Satisfaction

Customer expectations met or exceeded.

### Legislation

Continually review the legislative and regulatory framework under which the OCEI operates to ensure its effectiveness.

### Financial

Manage and control financial resources to meet business requirements while building sufficient reserves.

### Business Performance

Manage and control resources to meet business requirements.

### Human Resources

Maximise performance through an appropriately organised, educated, skilled, flexible and committed workforce.

### Information Technology

Maximise performance through the appropriate use of technology.

## RESPONSIBILITIES

- Safety of electricity supply including generation, transmission and distribution.
- Safety of electrical installations in industrial, commercial and domestic premises.
- Safety of electrical workers by the registration of contractors and the licensing of electrical workers on the attainment of an appropriate level of electrical safety competency.
- Safety of electrical equipment by ensuring that before sale certain equipment is approved and all equipment meets minimum required electrical safety standards.
- Protection against the corrosion of underground or underwater structures from the potential leakage of stray electric current.
- Energy efficiency of equipment through the labelling of major domestic appliances and meeting energy performance standards.
- Investigation and analysis of incidents and accidents to identify trends and develop preventative measures.
- The education of the electricity industry and the community on the safe use of electricity through a strong and focussed awareness campaign.
- The development and improvement of legislation, regulations and Orders-in-Council administered by the OCEI.
- The encouragement, approval, audit and monitoring of industry to participate in the maintenance and improvement of electricity safety through their own safety management scheme.
- The continued improvement of the certificate of electrical safety quality assurance system.
- The introduction of appropriate arrangements and response mechanisms and the training of enforcement officers to enable emergency response to electrical accidents and fatalities.

## CHIEF EXECUTIVE'S REPORT

**I am pleased to report that it has been another busy, challenging and, on the whole, successful year for the Office of the Chief Electrical Inspector. Many people have worked hard to maintain and improve Victoria's good electrical safety record and I would like to thank everyone who has contributed in one way or another to achieve an encouraging safety performance for 2004/05.**

**In thanking everyone, I would like to single out the professionalism, and what I would call the single minded commitment to electricity safety, continually demonstrated by the managers and staff of the OCEI.**

Because of the establishment of the new energy safety regulator, Energy Safe Victoria (ESV), this is the last annual report from the OCEI and covers an extended report on activities from 1 July 2004 to 9 August 2005, our last day of operation.

Those of us involved in energy safety looked forward to the establishment of ESV – which represents a merger of the OCEI, Office of Gas Safety and the pipelines safety function of the Victorian Government's Department of Primary Industries. Many of us were involved for a number of months in helping to set up the new organisation.

The new regulator officially came into existence on 10 August 2005. Over time, ESV will undoubtedly attain a high public profile enabling it to deliver enhanced energy safety outcomes with administrative cost savings compared to current arrangements. These savings will then be channelled into programs improving energy safety for everyone.

The OCEI initiatives and actions discussed in the annual report will of course continue under ESV. Establishing a common energy safety regulator makes a good deal of sense considering

While there have been no electrocutions on electrical installations for the fourth consecutive year, it is disappointing to report there was one electrocution involving overhead powerlines during this reporting period. The only electrocutions in recent years have resulted from contact with overhead powerlines, most of them in the Shepparton area.

The fact that experienced and qualified electrical tradespeople continue to work "live" on switchboards and other installations is a growing concern. While there have been no fatalities, two experienced electricians did suffer what can only be called very serious life changing injuries during this reporting period after accidents while working under "live" conditions. The consequences were serious for them, their families, work colleagues and their businesses.

During this reporting period we conducted campaigns in the Shepparton area warning of the dangers of powerlines, and commenced working cooperatively with NECA's Victorian Chapter to discourage "live" work. Further campaigns were conducted in early 2005/06 in regional areas.

Because of the establishment of the new energy safety regulator, Energy Safe Victoria (ESV), this is the last annual report from the OCEI and covers an extended report on activities from 1 July 2004 to 9 August 2005, our last day of operation.

Ken Gardner – Director of Energy Safety

the increasing synergies between the electricity and gas industries. Within ESV, the gas and electricity functions will be able to benchmark activities against each other and learn from each others' experiences. The overall winner will be energy safety.

It is certainly an exciting time for energy safety regulation in Victoria.

While it has been a successful year, we at the OCEI/ESV, and others involved in electrical safety, continue to be frustrated when a pattern of particular incidents often resulting in fatalities and serious injuries continue to occur – despite continual warnings not to do so.

In recent times, the OCEI has sought to move away from a prescriptive regime for electricity safety to a position where it can be seen that we are working cooperatively with our stakeholders, who thus become our safety partners. ESV will maintain this approach.



The adoption by the distribution companies of Energy Safety Management Schemes, which result in the companies themselves taking much more responsibility for safety in all areas of their operations has certainly been an encouraging step towards achieving our safety partnership philosophy.

There has been an increased impetus and focus on tracking down and if necessary, prosecuting unregistered and unqualified people. This will be continued under ESV. The OCEI launched 49 prosecutions through the courts during the year - 27 against unlicensed or unregistered people.

The overriding message of ESV is that despite another year relatively free of electrocutions and serious electrical related incidents and injuries, we cannot be complacent.

We continue to stress the importance of installing safety switches, the need to "Look Up And Live" near overhead

powerlines, don't undertake Do It Yourself (DIY) electrical work, only employ qualified tradespeople and always insist on a certificate of electrical safety when work is completed.

A major new initiative developed by the OCEI which will be launched early next year under the auspices of ESV will be the voluntary Home Safety Inspection Scheme. We have a growing concern that the wiring in many homes in Victoria may be deteriorating and cannot cope with the increasing demands of the many sophisticated appliances which are popular within the community.

Only suitably qualified tradespeople can apply to become ESV registered and approved Home Safety Inspectors and they will have to satisfy competency assessments before being accepted to take part in the scheme. There is more information under "Operations" in this annual report.

The OCEI/ESV has shared with the electricity industry – and many other industries depending on trades based competencies – concern at the shortage of skills, and has pledged to provide whatever assistance it can. What we must guard against is any concerted push to reduce competency skills requirements as a short or medium term solution to the growing problem.

From the safety regulator's perspective, there is no doubt that regulation is required to safeguard workers in the industry and the general community from electricity related incidents. What we can do and are doing is continually reviewing the regulation to ensure it keeps abreast of industry requirements.

On this point, the scheme to register all Victorian lineworkers is now in place, and active consideration is being given to introducing registration to cover other skills and activities for the electricity supply industry.

Most of the issues and activities, which I have discussed in my report, are covered in more detail in the "Operations" section.

This annual report represents the closing of one era and the start of another exciting and challenging era with the merging of OCEI into ESV. We face many challenges as we aim to enhance Victoria's energy safety record but we are confident that with hard work and commitment we will continue to be successful.

**KEN GARDNER**  
DIRECTOR OF ENERGY SAFETY



Director of Energy Safety, Ken Gardner.

# THE ORGANISATION

The OCEI is led by the Chief Electrical Inspector who is appointed pursuant to the Electricity Safety Act 1998, which is administered by the Minister for Energy Industries and Resources. The OCEI is managed by a management team comprising the Chief Electrical Inspector and three general managers.

- CHIEF ELECTRICAL INSPECTOR**  
Executive direction of the OCEI.
- GENERAL MANAGER, CORPORATE SERVICES**  
Corporate and business planning and reporting, financial management, human resources, administration, public and industry awareness, legislation and regulation development and information technology.
- GENERAL MANAGER, USE SAFETY**  
Safety of electrical installations, electrical contractors, electrical workers, licensing and registration of workers and contractors and electrical equipment and the energy efficiency of equipment.
- GENERAL MANAGER, SUPPLY SAFETY**  
Safety of electricity supply including generation, transmission, distribution and traction systems and protection against the corrosion of underground or underwater structures from the potential leakage of stray electric current.

- Ken Gardner**  
**Chief Electrical Inspector & Chief Executive Officer**
- Alan Kelly**  
**General Manager, Corporate Services**  
Finance, Business Planning, Administration and Human Resources  
Customer Relations  
Information Technology  
Legal
- Allan Driver**  
**General Manager, Use Safety**  
Installation Safety  
Equipment Safety  
Equipment Efficiency  
Licensing
- Bill Greenland**  
**General Manager, Supply Safety**  
Electrolysis Mitigation  
Network Safety Compliance  
Network Safety Audit  
Special Project

The OCEI is led by the Chief Electrical Inspector who is appointed pursuant to the Electricity Safety Act 1998, which is administered by the Minister for Energy Industries and Resources. The OCEI is managed by a management team comprising the Chief Electrical Inspector and three general managers.

## REVIEW OF OPERATIONS

This report covers a number of major activities undertaken by the OCEI across both installation and network safety and other areas throughout this reporting period. All activities have contributed to the State Government's Growing Victoria Together initiative.

### ESTABLISHMENT OF ENERGY SAFE VICTORIA

A number of OCEI managers and staff worked with their counterparts in the Office of Gas Safety (OGS) and the Victorian Government's Department of Infrastructure (DOI) on the large number of tasks required to achieve the seamless and successful establishment of Victoria's new energy safety regulator, Energy Safe Victoria (ESV).

ESV was officially established on 10 August 2005 and the task of progressively integrating the OCEI and OGS is underway. The pipelines safety function of the Department of Primary Industries will transfer into the new organisation later in 2006.

In anticipation of the establishment of ESV, a number of changes were made during late 2004/05 including relocating some OCEI and OGS people from the headquarters of the two organisations to the OCEI's branch offices in Nunawading and Ballarat. A great deal of preparation work was also underway during the year integrating the financial and administrative areas of the two organisations.

With the establishment of the new organisation, all electricity and gas safety messages for the consumption of the general community and the energy industry are released under the ESV branding. The logo and stationery for ESV was put in place well ahead of the establishment and has assisted in ensuring that the organisation achieves its required profile as quickly as possible.

### MAJOR INCIDENTS AND SKILLS SHORTAGES

While Victoria has maintained its good electrical safety record during this reporting period, the OCEI continued to be concerned over two particular areas where electrocutions and serious injuries continue to occur – contact with overhead powerlines and registered electrical contractors and licensed electricians working under “live” conditions – and is taking action to address them.

The OCEI, together with the rest of the electricity industry, is also concerned at the impending “skills crisis” which the industry is sharing with other industries both in Australia and overseas. Although there is no easy solution to the problem, ESV will continue the OCEI's work with the industry to ensure that safety outcomes are achieved and maximised through the continued use of appropriately skilled and competent people.

While there were no fatalities due to electrocution on electrical installations for the fourth year in succession, it is disappointing to report an electrocution involving contact with an overhead powerline. Details are provided below.

#### OVERHEAD POWERLINES

The only electrocution for the year occurred in August 2004 when a 26-year-old builder involved in constructing a shed on a farm at Tallygaroopna, near Shepparton, died after a section of angle iron which he was lifting came into contact with, or very close to, the bare conductors of the 22,000 volt high voltage aerial powerline.

There were two further serious incidents involving overhead powerlines during the year, also in the Shepparton area.

In one incident, an employee of a distillery in Shepparton was manoeuvring an aluminium ladder on top of a metal vat when the ladder touched a bare overhead 22,000 volt line. The employee was thrown from the vat and sustained a broken leg.

In the other incident, a contractor working on a farm at Tungamah, near Shepparton, received severe burns to his right hand and legs when the tray of a tip truck touched a bare overhead powerline.

At the launch of Energy Safe Victoria (L to R): Dave Nicholson, Director of Community Safety with MFB; Richard Bolt, Executive Director Energy and Security, Department of Infrastructure; Theo Theophanous MP, Minister for Energy Industries and Resources; Ken Gardner, Director of Energy Safety.



## REVIEW OF OPERATIONS

The Office conducted a media 'blitz' in the Shepparton area highlighting incidents and the dangers of overhead powerlines. A new awareness campaign warning farmers to "Look Up And Live" and involving television commercials and local newspaper advertising across regional Victoria commenced in early 2005/06 under the auspices of ESV.

Another incident of great concern to the Office occurred at Norlane near Geelong in late 2004 when a 26-year-old man received third degree burns to his face, chest and arms while working on an elevated platform cleaning a restaurant sign near overhead powerlines. The OCEI issued a media release warning that electricity can jump gaps and the consequences could be tragic.

Investigations by the OCEI revealed that the worker had failed to observe the

### DANGERS OF WORKING "LIVE"

In late 2004/05 the OCEI and NECA's Victorian Chapter announced a joint campaign to stop the practice of registered electrical contractors and licensed electricians working on switchboards and other installations under "live" conditions. The campaign will continue to be developed during 2005/06 and will utilise appropriate channels to stress the danger of working "live". Warning stickers have been prepared to be attached to switchboards.

The basic messages of the campaign are that electricians should turn the power off before starting work and that owners and occupiers of electrical installations must accept the right of electrical workers to refuse to work under "live" conditions.

Investigations by the OCEI revealed that the worker had failed to observe the minimum safe clearance when working near overhead powerlines.

Subsequently the OCEI sent warning letters to 160 Victorian hire companies asking them to be more vigilant in reminding customers of electrical dangers. Directions under Section 141 of the Electricity Safety Act 1998 were issued to the restaurant franchise holder and the company responsible for the advertising sign.

Letters were also sent to operators of scissor lifts after an incident at Campbellfield where an employee of a packaging company was operating a lift which touched a bare 66,000 volt line. The employee suffered burn marks on his arms, but as the letters pointed out, the consequences could have been much more serious.

The letter asked for copies of an OCEI media release warning of the dangers of making contact with overhead powerlines to be provided to all employees.

The letter concluded: "Despite warnings, there continues to be an unacceptable high number of incidents where plant and equipment have come into contact with powerlines."

The other message is that while the human costs of serious injury sustained by electrical workers at live switchboards can be horrific, the effect of such injuries on the lives of their families and work colleagues can be equally as devastating.

A catalyst for the campaign was an incident where an electrician with some 30 years experience needed to be heavily sedated in hospital for three weeks to ensure his recovery. This was preceded by another incident in which a licensed electrician received severe burns when working "live" and may not be able to resume a normal lifestyle.

### INJURY INCIDENT INFORMATION

	Fatalities	Serious injuries
Full Reporting Period	1	157
2004/05	1	156
2003/04	1	138
2002/03	0	196
2001/02	0	293

These figures represent total fatalities and serious injuries. The fatality occurred through contact with overhead powerlines.

### SKILLING FOR THE FUTURE

The OCEI/ESV is concerned, along with the rest of the electricity industry, the need to maintain ageing assets with a rapidly shrinking skills base. ESV recognises that the industry is heading for a "skills crisis" due to a "brain drain" of people leaving the industry, the ageing of both the workforce and the people providing industry training, and the lack of new recruits – apprentices, those with middle range technical skills and engineers.

ESV is monitoring the situation and recognises that the problem requires an all industry approach which will be difficult to resolve in the shorter term as many industries both in Australia and overseas are also experiencing similar skills shortages.

While ESV will not countenance any diminution of safety standards purely to lift numbers in the industry and fix the skills shortage, it is committed to assisting in any way it can to encourage competent people to seek worthwhile careers in the electricity industry.

One method will be the registration of skills – such as the lineworker registration system – across the industry to lift the profile of the particular work and demonstrate that it is a well managed career option for people to enter. It is pleasing to note the significant increase in the number of lineworker apprentices who commenced their apprenticeships in 2005.



## ELECTRICITY SAFETY MANAGEMENT SCHEMES

During this reporting period the electricity distribution businesses developed and adopted their own Electricity Safety Management Schemes (ESMS). These were approved by the Governor-in-Council and gazetted on 28 October 2004 – following the recommendation of the OCEI.

In effect, the adoption of such schemes represents a significant change in the management of electrical safety within the utilities. These schemes adopt risk based safety management systems rather than the prescriptive legislation and regulations and, therefore, moves to an environment where the companies themselves take more responsibility for safety.

A number of factors have contributed to the change. They include the fact that the companies have adopted better risk profiles for their entire networks and at the same time they must use resources effectively to maintain their costs. In the present day, very prescriptive regulation cannot always be written to cover all companies uniformly.

The change does not diminish the role of the safety regulator as far as this sector of the industry is concerned. ESV has an auditing and leadership responsibility which includes recommending approval of electricity safety management schemes to the Governor-in-Council and ensuring that the systems, training and procedures set out in the schemes are followed.

While the ESMSs provide greater flexibility to address approaches to managing the supply network, greater rigour in outcomes is experienced through the regulatory conditions that must apply when a scheme is accepted. The Network Asset Advisory Committee was established for that purpose and has played a major role in providing uniformity across the industry to these approaches.

The intent is that businesses operating in other sectors of the industry will also adopt safety management schemes in the future.

The adoption of these electricity safety management schemes has built on the success already obtained by the OCEI to promote schemes to large organisations, such as manufacturing plants, high voltage customers and operators of major hazard facility sites. Currently there are nine employer operator electricity safety management schemes operating in Victoria, which involve significant electrical installations. ESV has the responsibility to audit and monitor these sites for compliance with their schemes.

## SAFETY SWITCHES

The OCEI continued to earnestly promote the installation of safety switches during the year, particularly through its television commercials. The fact that over 60% of Victorian properties now have safety switches installed is encouraging but a long way from being satisfactory as far as the OCEI, and now ESV, is concerned.

In 2003/04 the OCEI prepared its major report "Towards A Safer Victoria" which among other initiatives recommends making safety switches mandatory on sale of a domestic property/by age of domestic property over a 15 year period.

The fact that over 60% of Victorian properties now have safety switches installed is encouraging but a long way from being satisfactory as far as the OCEI, and now ESV, is concerned.

The State Government is currently considering the recommendation and ESV is hopeful of a positive outcome to further improve the rate of installation of safety switches across Victoria resulting in an increased safety environment and culture in Victoria.

## HOME SAFETY INSPECTIONS

The report "Towards A Safer Victoria" (referred to previously) also recommended the promotion within the community of home safety inspections of electrical installations by qualified people.

During this reporting period the OCEI developed a voluntary Home Safety Inspection scheme which will be launched to the public in 2005/06. It will be the first major safety initiative launched under the auspices of ESV and maximises the use of modern technology.

Under the scheme, qualified electrical experts such as registered electrical contractors, licensed electricians and licensed electrical inspectors can become approved and registered Home Safety Inspectors. To become an inspector, candidates will need to satisfy a number of criteria, including undertaking an official training course and satisfying ESV that they are competent for the job.

Customers will be able to contact ESV by phone, fax, email or through the ESV website to find out the names of registered and approved Home Safety

Inspectors. They can then find out the price of the inspection, select their preferred Home Safety Inspector and authorise the work to proceed.

The inspector is obliged to provide a report within two days of the completion of the inspection. The report will outline the overall condition of the electrical installation and record any defects against the Electricity Safety Act and regulations and Wiring Rules covering electrical installations which require attention.

It is proposed to brief the electricity industry and safety partners progressively from October 2005 before starting to market the initiative to the general community at a later date. Proposals for marketing the scheme include brochures and television commercials.

## REVIEW OF OPERATIONS

### CERTIFICATE OF ELECTRICAL SAFETY

OCEI electricity safety commercials broadcast during this reporting period have continued to stress to the community that they must ask for a certificate of electrical safety when electrical installation work is carried out at their property, as well as promoting to registered electrical contractors and licensed electricians the benefits of using certificates and providing those certificates to their customers.

During the year the OCEI proposed to introduce a number of new features to the certificate, partly to reflect changes in electricity safety regulations and the Wiring Rules, but also to gather more information about the number of safety switches installed in homes in Victoria. It was proposed to gradually introduce the new certificates over 12 to 18 months.

Because of valuable feedback from contractors and electricians expressing concerns at potential problems arising from the changes, particularly about the time required to answer some of the additional questions, the OCEI agreed to review its proposals prior to introducing the new certificate. The review is continuing with the aim of increasing access to a totally electronic certificate

### AGEING INFRASTRUCTURE

During the year, the OCEI engaged the Monash University Centre of Electrical Engineering to undertake a research study to determine the integrity of very old electricity infrastructure in domestic premises, as compared with the original design standards for that equipment at the time of the installation.

The study will also investigate the Multiple Earth Neutral (MEN) System of earthing these premises and the safety risks associated with other work disciplines that are affected by this system of earthing.

The arrangement with Monash University requires ESV to provide both expertise and financial assistance.

### FIRES

During the year, the OCEI continued to work with the Metropolitan Fire Brigade and the Country Fire Authority to improve the reporting of details of fires, which could be due to electrical causes. Solutions to combating the incidence of electricity related house fires are constantly being sought.

As reported elsewhere, the OCEI undertook a local newspaper advertising campaign throughout the Melbourne

and that socket outlets must be provided in areas where the use of power is required.

Recently the OCEI has come across a number of incidents where the replacement of fuse wire in rewirable fuses with incorrect sized fuse wire, and in some cases, the replacement of the fuse wire with other types of wire has contributed to house fires.

### EQUIPMENT SAFETY

The Equipment Safety Section administers the Electrical Safety Act and the Electricity Safety (Equipment) Regulations which is primarily responsible for ensuring that electrical equipment supplied or offered for supply in Victoria meets all the minimum safety or essential safety standards and continues to be safe.

In Australia, there are two complementary schemes designed to ensure that all electrical equipment supplied or offered for supply is safe.

The first is the essential safety regime. The foundation of Australian electrical equipment safety legislation is an essential safety regime whereby electrical equipment suppliers, manufacturers, importers and retailers are responsible for ensuring that all electrical equipment supplied or offered for supply in Australia meets minimum safety specifications. In Victoria these minimum requirements are called up in Section 54 of the Electricity Safety Act and Regulation 6 of the Electricity Safety (Equipment) Regulations. Those minimum safety standards are clauses 4.1 to 4.5 of AS/NZS 3820 *Essential safety requirements for low voltage equipment*.

While the vast majority of contractors and electricians have adopted the certification scheme, it is becoming apparent that certificates are not being issued for every electrical installation job that has been completed.

system for those electrical industry stakeholders who would benefit from that system.

Meanwhile there is another certificate issue to address. While the vast majority of contractors and electricians have adopted the certification scheme, it is becoming apparent that certificates are not being issued for every electrical installation job that has been completed. A major audit is proposed in 2005/06 to gain an accurate picture of certificate usage.

suburbs and regional Victoria early in this reporting period alerting the community to the danger of fires from equipment such as heaters and electric blankets which are only used in the cold weather months.

The OCEI/ESV continually warns against the excessive use of power boards and extension leads instead of permanent arrangements for connecting the increasing number of appliances being used in homes to the power supply. Power boards and extension leads are only designed as short term solutions.

Registered electrical contractors and licensed electricians have been urged to ensure customers are aware that their electrical installation may need enhancing, such as an electrical wiring upgrade to cope with increased requirements from additional appliances,



Briefly, the essential safety requirements are specified as follows:

Electrical equipment shall:

- Provide for essential characteristics (ratings, warnings, instructions etc) to be marked in English
- Identify its supplier (trade name, mark etc)
- Be manufactured so it can be safely assembled, installed and connected
- Be manufactured so that in use people and domestic animals are protected against
  - dangers from direct or indirect electrical contact
  - dangerous temperatures arcs or radiation
  - non-electrical danger
  - hazards caused by external influences

A product supplied into the market, which is subsequently found to be inherently unsafe through investigation and collection of evidence and therefore not complying with AS/NZS 3820, may be subject to a recall under the Electricity Safety Act. This action may be restricted in the first instance to Victoria but all other states and territories may also require the recall action to be undertaken in their jurisdiction. There were 34 electrical equipment recalls conducted in 2004/05 around Australia. The recall process is administered by the ACCC with advice from the state and territory electrical safety regulators and is publicly available at [www.recalls.gov.au](http://www.recalls.gov.au).

The second scheme is the pre-market approval scheme. A list of articles, primarily household appliances such as kettles, toasters, televisions etc, are also required to undergo pre-market approval. This consists of demonstrating the appliance complies with the specific product safety standard by way of a third party independent test report.

It is an offence under legislation in all States and Territories of Australia to **supply or offer to supply** “prescribed” classes of electrical equipment unless the equipment is approved by a (regulatory) approval authority or certified under a recognised certification scheme. Once approved, equipment of the class or type may be supplied or on-supplied by any number of parties for the duration of the approval provided it is identical to that originally approved/certified and that it carries its allocated approval/certification mark.

### CHRISTMAS LIGHTS AND DECORATIONS

The OCEI continued to express concern through media releases, local newspaper advertising and other avenues at the increasing popularity of, in some cases, lavish outdoor lighting displays at Christmas time. The message has been that the potential danger for well-meaning but unskilled and unqualified home owners decorating the outside of their properties could turn Christmas from a season of celebration to one of tragedy.

Another concern has been the availability from various outlets of Christmas tree lights and other decorative electrical products which, at the very least, are not approved for supply in Australia and at worst could be downright dangerous.

In media releases, the OCEI recommends that registered electrical contractors should be employed to install decorations and ensure that existing installations are both safe and legal.

Equipment Safety	Full Reporting Period	Result 2004/05	Result 2003/04	Result 2002/03	Result 2001/02
Approvals submitted	1420	1295	1259	1,199	1,215
Total number of approvals in place	5997	5811	5191	5,729	5,547
Number of products audited (approval)	1064	982	1029	1,002	1,013
Notices to comply issued	80	68	83	90	55
Safety investigations	269	239	177	196	152
Safety recalls initiated	0	0	5	4	4
Hazard alerts raised	0	0	1	3	4
Incident reports raised	29	24	33	34	19
Public safety warnings initiated	0	4	4	0	2
No. of days taken to approve fully compliant approvals applications	16.2	16.2	8.0	12.6	11.0
Number of enquiries	11,867	10,670	10,422	9,445	6,437
Infringement Notices	0	0	1	N/A	N/A



FAR LEFT: Manager, Equipment Safety, Andrew Dodson, and Compliance Officer, Trevor Hudson, examine a new product.

LEFT: The Equipment Safety team (L to R): Neil Fraser, Andrew Dodson, Craig Menes and Trevor Hudson.



## REVIEW OF OPERATIONS

Similarly, the community has been encouraged to make sure all electrical products are approved for supply in Australia, by either the OCEI or equivalent electrical safety regulatory authorities operating in other states. People were urged to only purchase quality electrical products and to follow the manufacturer's instructions.

It is proposed that ESV will conduct similar communications campaigns during forthcoming Christmas seasons.

### DANGEROUS UNAPPROVED PRODUCTS

Despite continual auditing and inspecting by the OCEI, importers continue to attempt to circumvent the requirements of the Electricity Safety Act, and put the general public in danger by attempting to supply unapproved and potentially unsafe equipment.

The on-going auditing and investigation by the OCEI/ESV continues to put a stop to these attempts and issued 80 warning letters (notices to comply) to suppliers.

Christmas lighting products are a case in point. Routine checks by OCEI Equipment Safety compliance officers in December 2004 uncovered some questionable imported Christmas lighting products, which had not been approved for supply in Australia.

Problems with the products, apart from not being approved for supply, included plug faces which were not round as required, the active and neutral pins being too long and too thin, the active pin being incorrectly marked 'N' for neutral, and the cords being too thin.

### MANDATORY INSULATED PLUG PINS

For five years prior to 3 April 2005 the OCEI reminded manufacturers, suppliers and retailers of electrical appliances and equipment that it would be mandatory from that date for all plugs to incorporate insulated live pins.

Prior to the introduction of the new requirement, it was decided that sales of appliances or equipment with uninsulated integral pins supplied before 3 April would be permitted up until 3 April 2006. The move was a recognition of the amount of affected stock which the retail industry was holding at the time of the proposed change over.

### REGULATORY COMPLIANCE MARK (RCM)



The RCM provides consumers with visual evidence that the appliance complies with all relevant safety standards for electrical equipment regardless of where in Australia the item was approved.

The OCEI/ESV is continuing to work nationally through the Electrical Regulatory Authorities Council (ERAC), and at the Victorian level, promote the RCM to manufacturers and importers of electrical equipment.

More and more equipment being approved in Victoria now carries the RCM.

### EQUIPMENT EFFICIENCY



The OCEI and now ESV has the responsibility on behalf of the State Government for administering the regulatory framework for the energy efficiency labelling and Minimum Energy Performance Standards (MEPS) program for the Ministerial Council on Energy's National Framework for Energy Efficiency, which entails standards setting, making of regulations, approval of equipment and compliance monitoring.

The appliances that are required to exhibit an energy label showing energy performance are domestic refrigerators, domestic freezers, single phase air conditioners, dishwashers, clothes washers and clothes dryers.

The range of products which must meet mandatory Minimum Energy Performance Standards (MEPS) are domestic refrigerators and freezers, most electric storage water heaters, single and three phase air conditioners, three phase electric motors, ballasts for linear fluorescent lamps, distribution transformers, linear fluorescent lamps, and commercial refrigeration cabinets.

A large range of products are being considered for future labelling and minimum energy performance standards requirements.

The appliances that are required to exhibit an energy label showing energy performance are domestic refrigerators, domestic freezers, single phase air conditioners, dishwashers, clothes washers and clothes dryers.



BELOW: Manager Licensing, Luke Farrugia, and Licensing Officer, Miriam Shapiro.

RIGHT: Appliance Efficiency Compliance Officer, Michael Grubert.



ESV's Equipment Efficiency Section has the following roles:

- Administering the Electricity Safety Act and the Electricity Safety (Equipment Efficiency) Regulations 1999 and ensuring amendments are introduced in a timely manner in agreement with industry. Technical requirements for labelling and MEPS are set out in the relevant appliance Standard and called up in the regulations.
- Participating in Standards Australia committees on Standards setting, new Standards development and harmonisation of Standards with major trading partners
- Approval of the 13 categories of domestic, commercial and industrial electrical appliances and equipment for labelling and MEPS on the online registration database and website
- Check testing of appliances and equipment to ensure that they meet the stated claims, cancellation and further legal action on those that do not comply; and managing the National Equipment Check testing Program on behalf of the National Appliance and Equipment Energy Efficiency Program.
- Monitoring, compliance and enforcement on retail outlets and internet sales and issue of infringement notices for breach of the legislation

The Electricity Safety (Equipment Efficiency) (Further Amendment) Regulations 2004 were made by the Governor in Council on 21 December 2004 and brought into the regulatory system the following equipment categories:

- Distribution Transformers MEPS - The regulations call up the revised suite of standards, AS/NZS2374.
- Air Conditioners MEPS for single-phase equipment - The regulations call up the revised suite of standards, AS/NZS3823.
- Double-capped Fluorescent Lamps MEPS - The regulations call up the revised suite of standards, AS/NZS4782.
- Commercial Refrigeration MEPS - The regulations call up the revised suite of standards, AS/NZS1731.
- Domestic Refrigeration MEPS Round 2 - The regulations call up the revised suite of standards, AS/NZS4474.

## STATISTICAL REPRESENTATION OF ACTIVITIES

	Full Reporting Period	Result 2004/2005	Result 2003/2004	Result 2002/2003	Result 2001/2002
<b>Equipment Efficiency</b>					
No. of days taken to approve fully compliant equipment efficiency applications	3.27	3.27	2.97	3.54	8.4
Models registered for labelling	2198	2019	949*	1359*	1820*
Total number of registrations in place	6592	6411	4392	3443	2084
Number of inquiries	1336	1208	1115	748	NA
Retail outlets audited for compliance with energy efficiency label	40	38	25	11	156
Cancellation of registrations for equipment efficiency matters (energy labelling or MEPS)	5	5	3	NA	NA

\* Denotes individual registrations. Some of which are grouped as families or models.

## LICENSING

Activity	Full Reporting Period	Result 2004/2005	Result 2003/2004	Result 2002/2003	Result 2001/2002
<b>Worker Standards</b>					
Electrician's Licence "E" (new applications)	915	848	811	827	811
Electrician's Licence "E" (renewals)	5282	4399	3456	3479	4555
Supervised Worker's Licence "L" (new applications)	312	296	383	302	273
Electrician (Supervised) Licence (renewals)	109	95	396	601	110
Disconnect/Reconnect Worker's Licence (new applications)	480	455	627	644	607
Disconnect/Reconnect Worker's Licence (renewals)	910	842	1124	1141	1023
"Unrestricted" Electrical Mechanic's Licence to Electrician's Licence (changeover)	5	3	8	16	16
Occupier's Licence (new applications)	0	0	0	0	0
Occupier's Licence (renewals)	1	1	11	16	4
Total number of licences issued	8208	7089	6915	7026	7399
Total number of licences in place	34,875	34,875	34,128	33,543	33,028
Electrical Inspector's Licence (new applications)	9	8	38	28	13
Electrical Inspector's Licence (renewals)	337	326	303	279	277
Total number of inspector's licences issued	346	334	341	307	290
Total number of inspector's licences in place	326	324	318	309	292
Registration of electrical contractor (initial registration)	850	783	802	555	493
Registration of electrical contractor (renewal of registration)	8208	7464	7783	6837	7370
Total number of registrations issued	9058	8247	8585	7392	7863
Total number of registrations in place	8712	8621	8330	8029	7733
Random phone audits of registered electrical contractors	6020	5455	6578	6760	3754
Random phone audits of electrical workers	8418	7878	9684	9776	2078
No. of meetings of the Electrical Licensing Registration Advisory Committee	6	6	6	5	6
No. of days taken to approve fully compliant registration applications	2.09	2.09	2.18	2	3.3
No. of days taken to approve fully compliant licence applications	2.2	2.2	2.7	3	3.0
Total number of Electrician Licences	24,832	24,917	24,087	23,318	NA
Total number of Supervised Workers Licences	1276	1997	2079	2274	NA
Total number of Disconnect/Reconnect Licences	7973	7965	7843	7583	
Total number of Occupiers Licences	33	33	35	37	NA

## REVIEW OF OPERATIONS

### POLICY CONCERNING TECHNICAL SUPERVISORS FOR REGISTERED ELECTRICAL CONTRACTORS

This policy allows people to demonstrate their equivalent competence through work experience while working as a normal licensed electrician to become a technical nominee for a registered electrical contractor business.

ESV will accept the registration of technical supervisors to fulfill the requirements of the Electricity Safety Act and Electricity Safety (Installations) Regulations for technical supervisors if the currently licensed electricians can demonstrate compliance with requirements of previous legislation and regulations. This means that the person's standard of qualifications, proficiency and experience in electrical installation work and supervision is demonstrated to be of an acceptable standard to that required under the Electricity Safety Act and Electricity Safety (Installations) Regulations.

The OCEI implemented a policy and supporting procedures relating to technical supervisors and has communicated the policy to the electricity industry. Since May 2004 the OCEI has processed 288 technical nominees under the requirements of this policy.

### DISCONNECT / RECONNECT LICENCES

The Disconnect/Reconnect or 'D' Licence is a restricted licence which must support a suitable primary work function, such as plumbing, mechanical fitting or gas fitting. Such licences enable tradespeople other than licensed electricians to carry out restricted electrical work when conducting their normal occupation. The electrical work is restricted to the disconnection and reconnection of the same type and size of electrical equipment or components of electrical equipment, such as, the element of a hot water service.

The OCEI/ESV is directing significant additional focus to these licences, after audits identified that a number of applicants for 'D' licences were not eligible as their work did not qualify under the suitable primary work function category.

Following the audits, the OCEI prepared new guidelines to clarify the status of the 'D' licence and who is qualified to receive one. The OCEI also upgraded

the information on the website to make it clearer to all electrical and mechanical industry stakeholders, as well as training organisations, that only those people who meet the criteria will be able to obtain such a licence.

With the clarification in place, the OCEI rejected 116 Disconnect/Reconnect licence applications, including both new applications and renewal applications since March 2004 with the result that there has been a significant drop in new applications and licenses issued.

### COMMUNICATING LICENSING ISSUES

In addition to communicating with applicants and their respective employers, the OCEI increased its communication with Registered Training Organisations (RTOs) to ensure that they understand the requirements of the licences for which they provide training and assessment. The OCEI also undertook a desktop audit of the Disconnect/Reconnect course notes for each RTO.

The OCEI/ESV licensing section deals with an average 1500 phone calls each month from stakeholders wishing to discuss issues relating to RECs,

The OCEI/ESV is directing significant additional focus to these licences, after audits identified that a number of applicants for 'D' licences were not eligible as their work did not qualify under the suitable primary work function category.

Licensed Electrical Workers, the use, sale and dispatch of Certificates of Electrical Safety, UserID and PINs, the Interactive Voice Response (IVR) system, electrical wholesalers selling Certificates of Electrical Safety and other general queries.

The OCEI also provided input into the national review of the National Electrotechnology Training Package (NETP), particularly for apprentice electricians. This is a new training package developed for national implementation regarding a range of electrotechnology courses, with the OCEI focussing on the apprentice electrician (and other related) areas to ensure licensing outcomes were not compromised.

### NEW ELECTRICAL LICENSING ASSESSMENT

To ensure that the licensing assessment was carried out in accordance with modern assessment techniques and to assist in overcoming the shortages of licensed electricians, during this reporting period the OCEI worked with the EPIC Industry Training Board to introduce a new electrical licensing assessment system in Victoria. Basically the Licensed Electricians Assessment (LEA) will improve the flow of apprentices through the system to become qualified electricians without any diminution of the high standards required.

Under the LEA, if the apprentices pass two parts of the three part assessment and fails the third, he or she will only need to re-sit the unsuccessful part. Under the previous assessment mechanism, the Licensed Electrical Mechanics Assessment (LEM), both parts of the assessment were treated as one and if apprentices failed one of the parts they had to take the whole examination again.

The electricity industry had been concerned for some time at the low pass rate for the LEM assessment, particularly

those undertaking the assessment for the first time, and welcomed the introduction of the new assessment arrangements.

The LEA is a framework which creates maximum flexibility for assessing new electricians with minimum stress for the actual candidates.

### 'A' CLASS LICENSES

After receiving a number of complaints and comments during the year the OCEI resolved to enhance the electrician's licence to include the term 'A' Class in place of the 'E' identifier. The change will be implemented gradually with new licences issued to electricians as their old ones expired.

The term 'A' Class was included after the words "electrician's licence". The letter 'E' identifier on the previous licences is being changed to 'A' over time.

Organisations and individuals had suggested that the 'A' Class identifier should be restored to licences for fully qualified electricians on a national basis.

### ELECTRICAL INSTALLATION SAFETY

#### Continuing Education

The Compliance Officers have continued to educate the electrical industry at Trade Nights in the Melbourne metropolitan area and regional Victoria. Information sessions have been conducted for licence holders at trade events and within the industry environment. Over 150 information sessions have been completed reaching a range of over 3,400 industry people. Sectors covered over this time have included manufacturing, trade nights, small electrical contractor work groups, hospitals, ETU training courses and NECA workshops.

### Auditing and Monitoring

During this reporting period, significant effort was put into carrying out audits of registered electrical contractors, licensed electricians, disconnect/reconnect licence holders and licensed electrical inspectors to ensure compliance with the Electricity Safety Act and Electricity Safety (Installations) Regulations.

This auditing activity was undertaken by the OCEI's Compliance Officers who also audited Registered Training Organisations (RTOs), Employer Operator Electricity Safety Management Schemes and the Licensed Electrical Mechanics (LEM) Assessment process carried out at EPIC Industry Training Board.

These auditing and monitoring activities were carried out using the philosophy of educating the stakeholders and this approach was emphasised when Compliance Officers visited registered electrical contractors and licensed electricians on major construction sites both in the metropolitan and regional areas of Victoria.

### Private Overhead Electric Lines (POELs)

The OCEI built on the very successful program of working with one electricity distribution business to assist that business to manage their dealings with owners of POELs in regional areas of Victoria, and to assist those owners to understand the processes and the importance of placing POELs underground or safely maintaining those lines. As such, the OCEI initiated discussions with all other relevant electricity distribution businesses and successfully extended the program to cover the whole of Victoria.

This program will further assist in the minimising of the risk of bushfires being commenced due to electricity related causes and also reduce the risk for the owners of POELs.

BELOW: Manager Installation Safety, Darren Margerison, attends to a caller at the OCEI office.

RIGHT: General Manager Use Safety, Allan Driver.



## REVIEW OF OPERATIONS

### NETWORK SUPPLY INDUSTRY AUDIT

During this reporting period the OCEI continued to outwork safety issues which arose out of the major industry audit conducted in 2002 covering the electricity distribution and transmission businesses in Victoria. The audit has been a useful process in assisting the OCEI to develop improved safety processes to address management of ageing assets.

A number of actions emanating from the audit are now in place – including the adoption of the Electricity Safety Management Schemes by distribution network operators and the scheme to register all lineworkers in Victoria. These are referred to in more detail elsewhere in the report.

Another outcome has been the extension of the terms of reference for the Clearance Height Compliance Committee to extend its work to include other overhead and underground supply assets, together with testing and inspection of earthing systems.

The new terms of reference have resulted in the Committee being renamed the Network Asset Advisory Committee. This Committee continued to provide oversight of the development of innovative approaches to address regulatory compliance under Electricity Safety Management Schemes.

The OCEI also continued to work closely with the traction companies on electrical safety issues. However, the development of the proposed major audit has not progressed due to issues related to the change of ownership of the traction companies and the traction assets.

With ownership issues being finalised, the OCEI/ESV will now consider the appropriateness of undertaking the major audit.

### BASSLINK AND OTHER DC INTERCONNECTORS

During this reporting period, the OCEI worked closely with Basslink to ensure that the undersea/overhead DC line is constructed in accordance with safety standards. The Electricity Safety (Network Assets) Regulations require minor amendment to accommodate “DC” interconnectors, and drafting of the regulation change has commenced. The OCEI/ESV timetable has accommodated the delays experienced in the construction of Basslink.

The OCEI also started consultations to undertake ground voltage rise calculations to ensure that safety standards in regard to metal structures and pipelines within the vicinity of Basslink are maintained within the appropriate safety levels.

### WIND FARMS

The OCEI has continued to assess wind farms for compliance with the Electricity Safety Act 1998 and Electricity Safety Network Assets Regulations. The process requires an independent assessor to determine compliance with the legislation and regulations. Based on the assessor’s report, the OCEI then issues a “letter of no objection” for connection to the main electricity supply grid.

During this reporting period, one wind farm at Yambuk was assessed.

Extensive discussions have also taken place with other proponents of wind farms to ensure they are aware of the requirements under the Electricity Safety Act 1998 and regulations.



RIGHT: Manager Audit and Quality, Bob Skene

BELOW: Supply Safety Engineer, Loc Vuong, and Executive Assistant, Kirsty Harris.





## ELECTROLYSIS

The Electricity Safety Act 1998 and the existing Electricity Safety (Stray Current Corrosion) Regulations provide a framework for protecting underground and underwater structures from corrosion caused by stray electrical currents.

The Act also establishes the Victorian Electrolysis Committee (VEC), defines its composition and nominates the functions it will perform.

As per requirements, during 2004/05 the VEC completed its coordinated monitoring program of the underground metallic structures (i.e. water, gas and oil pipes, and, telecommunications and power cables) across the Melbourne metropolitan area to ensure the aims of the VEC are met.

The VEC was also actively involved with train operators during the introduction of two new types of trains with re-regenerative braking facilities. There has been extensive testing by the VEC and its members to determine that no adverse affects have been experienced on the underground metallic structures along the rail routes of the new trains.

The VEC also maintained a register of cathodic protection systems installed in Victoria to protect structures from corrosion.

The Committee has also approved and undertaken mitigation work to accommodate the extension of the tram system in the Docklands precinct in Melbourne and the Burwood Highway tram line extension in the outer east of the city.

BELOW: General Manager Supply Safety, Bill Greenland.

BELOW RIGHT: Compliance Officer, Supply Safety, Warren Knop.



## NO GO ZONE INITIATIVE

In 1999, the OCEI introduced the 'No Go Zone' concept to reduce incidents of equipment and machinery contacting overhead powerlines. It has been a major safety and communications focus for the OCEI. While incidents still occur – as reported earlier in this section – the initiative has been very successful in significantly reducing powerline accidents, particularly through the OCEI progressively extending the concept to include an increasing number of industries using machinery and equipment which could come into contact with overhead powerlines.

During 2003/04, the OCEI worked with WorkSafe Victoria and the Office of Gas Safety to significantly enhance the 'No Go Zone' rules to educate and inform all workers involved with electricity, gas, water and telecommunications assets. The enhanced program was officially launched by the Minister for Energy Industries and Resources on 14 July 2004.

ESV, during 2005/06 and beyond, will continue to seek every opportunity to highlight the provisions of the 'No Go Zone' rules developed to protect the community and workers from incidents involving machinery and equipment touching powerlines.

The OCEI also developed a recording system inclusive of a new database to record the details of all persons trained as 'No Go Zone' spotters. Spotters registered with the OCEI/ESV have been issued with cards, which define their competencies and ability to "spot" for certain classes of work. It is pleasing to report that incidents involving contact with overhead powerlines are significantly on the decrease due to trained spotters in the industry.



## UNDERGROUNDING

Taking over from the OCEI, ESV maintains a commitment to investigate the feasibility of undergrounding overhead powerlines in Victoria. Undergrounding would lead to a dramatic improvement in safety, with the additional benefits of improved aesthetics and improved property values.

The Monash University Department of Policy Studies is investigating the economic modelling of the project while an engineering graduate from Victoria University has been undertaking a PhD study on the engineering aspects.

The full feasibility report – which will cover the method, cost and benefits of undergrounding powerlines in Victoria – is due for completion in three years time and the project is running to schedule.

As the project develops, the work of the two PhD graduates will be overseen by a high level committee of stakeholders.

Electrolysis cadet, Jayton Smith.



## REVIEW OF OPERATIONS

### REGISTRATION OF LINeworkERS

The system to register all lineworkers in Victoria was formally announced in August 2004. Under what is the Australian-first registration program, lineworkers will be issued with "passports" by the electricity distribution and transmission businesses and relevant contractors to allow them to work on Victoria's electricity assets. The passport system is a "vehicle" for a lineworker to obtain registration.

Announcing the major electricity industry initiative, the acting Minister for Energy Industries at the time, Bob Cameron, said the system would guarantee that all workers on the supply networks are properly trained and qualified, ensuring their own safety and that of the general community.

Under the system, lineworkers from Victoria, interstate and overseas will need to undergo an assessment and/or training before being issued with a "passport". Once issued with the "passport", the holder has greater mobility to move across the electricity supply industry throughout Victoria and Australia, particularly, with the OCEI, and now ESV, contributing to the development of a national passport system in conjunction with the industry.

Since its introduction, more than 1800 lineworkers have been registered with the OCEI including a significant number from interstate and overseas.

There is a view that overall the registration and passport system has greatly improved compliance with safe

work practices and has seen a notable drop in supply related workplace incidents relating to that discipline.

The system consists of a central database administered and managed by the OCEI/ESV on which the skills and nationally agreed qualifications of all lineworkers operating in Victoria are recorded.

It could be said the scheme marks the start of the introduction of a number of initiatives to improve safety in the industry and maintain a skilled workforce. It is now proposed to progressively register all relevant electricity supply industry workers – with vegetation workers the first "out of the blocks".

A sector based industry committee of stakeholders has been formed to extend the registration of supply related work personnel.

A registration/passport system is also being introduced in the traction industry.

### ELECTRIC LINE CLEARANCES

Areas which are deemed by the Country Fire Authority (CFA) to be of high fire danger are subject to more stringent vegetation clearances in the vicinity of overhead power lines than those areas deemed to be of low fire danger.

As areas develop, they may no longer display the characteristics of a high fire risk area. The CFA has progressively reviewed all rural areas and re-rated a proportion of these areas of Victoria from high to low fire danger.

The OCEI has continued to work closely with the CFA to ensure

code of practice pertaining to electric line clearance. It is pleasing to note there were no serious instances of non-compliance at the time of the audit.

The Electric Line Clearance Consultative Committee comprises independent experts with wide ranging skills who represent the interests of all affected parties. The Committee advises the OCEI/ESV and the Minister on the best management techniques to reduce fire risk and community costs and on the best balance between public safety and the environment.

The Committee has continued to meet throughout this reporting period and provided an overview of the revision of the Electric Line Clearance Regulations and associated Code of Practice, which was completed in June 2005.

The Electricity Safety (Electric Line Clearance) Interim Regulations were promulgated on 30th December 2004 to allow more extensive consultation to occur in relation to vegetation management adjacent to electric lines.

At the conclusion of the consultation period, the Electricity Safety (Electric Line Clearance) Regulations 2005 were promulgated on 28th June 2005. These regulations now incorporate the Code of Practice for Electric Line Clearance as a Schedule within one set of Regulations.

The regulations granted more responsibility to the persons responsible for the management of vegetation to make informed decisions relating to significant vegetation areas. This has been an important change in the new regulations and will ensure that the management of areas of important and significant vegetation is undertaken more sympathetically than might have been the case earlier.

The CFA has progressively reviewed all rural areas and re-rated a proportion of these areas of Victoria from high to low fire danger.

vegetation clearance requirements are reviewed and revised in these areas. This will ensure that areas continue to be responsibly managed in regard to vegetation clearing.

Twelve local authorities and each electricity business were audited for compliance to the regulations and

## BUSHFIRE MITIGATION

As electricity assets have the potential to start bushfires, the OCEI/ESV conducts a comprehensive audit every year of the electricity transmission and distribution businesses prior to the commencement of each declared summer fire season period.

In June 2003, new Electricity Safety (Bushfire Mitigation) Regulations were introduced which prescribe the methods and standards the businesses must adhere to in the preparation of bushfire mitigation plans. The new regulations ensure improved risk management of the supply network for future summer seasons. Accompanying guidelines and compliance audit processes and procedures were implemented.

The OCEI/ESV utilises an external consultant to undertake an extensive bushfire mitigation audit prior to each bushfire season. For the 2004 bushfire season, a preferred supplier was utilised to undertake the audits, thus ensuring one standard safety audit approach and to maintain costs comparative to previous years.

Expressions of interest for undertaking future bushfire mitigation audit activity have been called by the OCEI/ESV ahead of the 2005 summer season. Victoria was again free from any serious bushfires started by electrical causes during this reporting period.

## LEGAL AND COMPLIANCE

A critical role for the OCEI/ESV is to ensure compliance with the Electricity Safety Act 1998 and its regulations. While it prefers an education and training approach, rather than any "heavy handed" actions, in some instances it is necessary for the OCEI/ESV to take action to enforce compliance and most importantly to ensure public safety.

The primary purpose of enforcement measures is to stop activities that risk electrical safety by making offenders more accountable as a deterrent to those involved and to others who may not be complying with the Act and Regulations.

The decision on the appropriate enforcement measure is made on a case by case basis taking into account set considerations. Enforcement options used by OCEI are:-

- No Action
- Warning Letter
- Directions - instructions to take certain actions to achieve safety
- Infringement Notices - fines for selected offences
- Prosecution - via the court system
- Committee of Inquiry

For this reporting period, in addition to taking no action and issuing warning letters, OCEI issued 55 Infringement Notices. Forty-nine court prosecutions were undertaken for the year of which 27 were brought against unlicensed or unregistered people. One Committee of Inquiry was held which resulted in the licence of an electrical inspector being suspended for 12 months.

RIGHT: The Legal Operations Group. (L to R): Prosecution Lawyer, John Murphy; Solicitor Andrew Padanyi; Prosecution Investigation Officer, Michael Leahy; Prosecution Investigation Officer, Terry Clement; and, Legal Operations Manager, Peter Hester.

BELOW: Solicitor Andrew Padanyi.





## REVIEW OF OPERATIONS

### FINANCIAL PERFORMANCE

The total income for the OCEI for the period 1 July 2004 to 9 August 2005 was \$14.4 million and operational expenses totalled \$14.7 million. As a result, the OCEI achieved a \$263,000 operating deficit for the period. Total expenditure included an increase in the doubtful debts provision of \$133,000 and \$242,000 that was disbursed on behalf of Energy Safe Victoria.

The income result represents an increase of 14.3% over the previous reporting period whilst the OCEI's asset base decreased by 3.0% compared to the prior period. The increase in the OCEI's liabilities of \$140,000 was due, in main, to an increase in expense provisions from the 2003/04 financial year.

Service fee income continues to represent the OCEI's main source of revenue - approximately 75% - earned. Operational expenditure continues to be managed within available funding, with the OCEI maintaining an expense to income ratio of 1.0 or break even for the period ended 9 August 2005.

### OCEI COMMUNICATIONS PROCESS

During this reporting period the OCEI has been developing a new communications system enabling registered electrical contractors, licence holders such as electricians, inspectors and disconnect/reconnect workers, to conduct much of their business with the Office/ESV "online". Volunteers from across the industry assisted the OCEI in piloting the new system which is due to be introduced in 2005/06.

The arrangement is now under the auspices of ESV.

When in place, stakeholders who use computers as part of their everyday business will be able to order and lodge certificates of electrical safety and conduct a number of other business activities through the upgraded communications service. One benefit will be a saving in the costs stakeholders pay for business interactions with ESV.

The industry has been assured there will be no change to the current facilities available for conducting business with ESV. For instance, the Interactive Voice Response System, which is used primarily for the purchase and lodging of certificates, will remain. Further, the current auditing system using certificates of electrical safety and other tools will be retained.

### COMMUNICATIONS WITH STAKEHOLDERS

The OCEI has communicated with its stakeholders through various channels including its website and the quarterly magazine *LIVE with electricity*. A new draft communications strategy developed at the start of 2005/06 recommends increased use of email, SMS and emerging technologies for alerting stakeholders to issues, particularly safety matters. ESV will also pursue these communications initiatives.

*LIVE with electricity* was first published at the end of 2003 and has become increasingly accepted and acknowledged through the industry with its mix of electricity safety related articles and more general features concerning electricity and the Victorian energy industry. The magazine was delivered to some 38,000 people and organisations and has been supported financially by advertising.

With the establishment of ESV, the magazine has been re-named **energysafe** and includes relevant gas and pipelines safety articles in addition to the usual electricity safety information. The first issue was published at the end of August 2005. The circulation of the magazine now exceeds 52,000 mark.



LEFT: Financial Accounting Officer, Ian Adamson, and Finance and Administration Manager, Brian Bose.

ABOVE: Service Centre Officer, Administration, Diana Bricknell.

RIGHT: Nunawading Branch Administrator, Kath Van Leemput.



## COMMUNICATIONS WITH THE COMMUNITY

During the year, the OCEI continued to conduct intensive electricity safety campaigns through airing television commercials prior to the Christmas and Easter holiday periods.

New commercials were developed for this reporting period and while the images and messages would have been familiar, the emphasis behind the messages was updated to partly account for perceived changes in demographics.

Critical messages from the campaigns were:

- Make sure your home has a safety switch
- Always look up and live – whether at work or play. There were two commercials in this category – one showing a crane hitting overhead powerlines, the other showing an aluminium yacht mast also hitting powerlines
- Never undertake your own electrical work – always employ a registered electrical contractor and insist on a certificate of electrical safety being issued.

Early in 2004/05 ESV undertook a similar approach to warn of the need for the community to always check the condition of appliances – such as electric blankets and heaters – which are placed in storage for a significant period of the year before being brought back into service.

Newspaper advertising will also be placed in regional newspapers to support the campaign to warn farmers of the danger of overhead powerlines.

A new communications strategy and action plan for Energy Safe Victoria is being developed to communicate with both the gas and electricity industries and the general community. While the strategy proposes traditional communications methods to spread the electricity and gas safety messages, it also discusses using some of the latest technology to increase public and industry awareness.

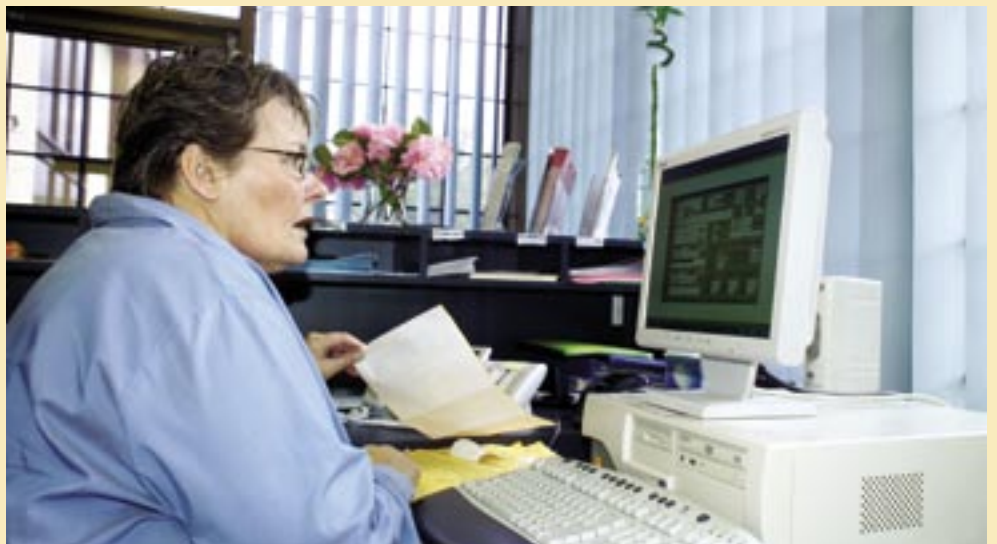
## IN CONCLUSION

As reported earlier, the OCEI become part of Energy Safe Victoria on 10 August 2005. The new energy safety regulator will continue to manage all the programs referred to above during 2005/06 and pursue any new initiatives which will contribute to maintaining and improving Victoria's energy safety record.

In early 2005/06 ESV launched a campaign of television commercials to be broadcast through regional Victoria warning farmers of the dangers of overhead powerlines and the need to “Look Up And Live.”

As outlined earlier, in early 2005/06 ESV launched a campaign of television commercials to be broadcast through regional Victoria warning farmers of the dangers of overhead powerlines and the need to “Look Up And Live.”

During the year, the OCEI also investigated the effectiveness of placing advertisements in local newspapers to highlight important electrical safety issues. For instance advertisements were placed in suburban Melbourne and regional Victorian newspapers highlighting the dangers of unapproved Christmas lights.



# PERFORMANCE MEASURES

Outcome and Measures	1.7.04 - 30.6.05 Target	1.7.04 - 30.6.05 Actual	1.7.04 - 9.8.05 Actual	Achievements	
CORPORATE PERFORMANCE MEASURES					
Safety					
Incidents					
Incidents involving fatalities due to electrocution (excluding suicides). <sup>1</sup>	0.0	0.2	0.2	<ul style="list-style-type: none"><li>- No fatalities due to electrocution on electrical installations for the 4th consecutive year.</li><li>- Only two fatalities due to electrocution on network assets in four years.</li><li>- 2nd lowest electrical fatality rate of all Australian States, Territories and New Zealand.</li></ul>	
Incidents involving fatalities associated with an electrical incident where death was caused by something other than electricity (eg. smoke inhalation) (excluding suicides). <sup>1</sup>	0.0	0.6 <sup>2</sup>	0.6 <sup>2</sup>		
Incidents involving suicides. <sup>1</sup>	0.0	0.0	0.0		
Incidents involving serious injury. <sup>1</sup>	<36.0	31.5	31.7		
Serious incidents without injury. <sup>1</sup>	<113.1	138.7	139.1		
Incidents involving non-serious injury. <sup>1</sup>	<131.9	121.0	121.6		
Non-serious incidents without injury. <sup>1</sup>	<49.4	37.6	50.0		
Electricity-related fire starts. <sup>3</sup>	<2,242	3,451	3,759		
Victims					
Fatalities due to electrocution (excluding suicides). <sup>1</sup>	0.0	0.2	0.2		
- Australian ranking	1	2	2		
- Worldwide ranking <sup>4</sup>	TBD	-	-		
Fatalities associated with an electrical incident where death was caused by something other than electricity (eg. smoke inhalation) (excluding suicides). <sup>1</sup>	0.0	0.6 <sup>2</sup>	0.6 <sup>2</sup>		
Suicides. <sup>1</sup>	0.0	0.0	0.0		
Serious injuries. <sup>1</sup>	<28.1	31.5	31.7		
Non-serious injuries. <sup>1</sup>	<112.8	121.0	121.6		
Compliance					
Registered electrical contractors compliant with the certificate of electrical safety system. <sup>5</sup>	95%	86%	86%		<ul style="list-style-type: none"><li>- 86% of registered electrical contractors and 100% of licensed electrical inspectors compliant with the certificate of electrical safety system.</li><li>- In excess of 575,000 certificates of electrical safety lodged.</li><li>- In excess of 122,000 inspections of prescribed electrical installation work and audits of non-prescribed electrical installation work.</li><li>- In excess of 29,000 audits of registered electrical contractors, licensed electrical installation workers and licensed electrical inspectors.</li><li>- Each distribution business and twelve local authorities audited for compliance to electric line clearance requirements and each distribution business and transmission business audited for compliance to network asset requirements.</li><li>- 1,064 audits of electrical equipment undertaken for an accurate approvals marking.</li><li>- 2,697 audits of electrical equipment undertaken for an accurate energy rating label.</li></ul>
Licensed electrical inspectors compliant with the certificate of electrical safety system. <sup>5</sup>	95%	100%	100%		
Compliant prescribed electrical installation work.	99%	100%	100%		
Compliant non-prescribed electrical installation work.	95%	94%	94%		
Electrical appliances on display in retail outlets with an accurate approvals marking.	95%	98%	94%		
Electrical appliances on display in retail outlets with an accurate energy rating label.	95%	98%	99%		
Financial					
Expense to income ratio.	1.00	0.98	1.02		
Customer Satisfaction					
Customers satisfied with the service provided <sup>7</sup> –					
- Industry	92%	-	-		
- Community	92%	-	-		
Human Resources					
Employees retained.	95%	92%	92%	<ul style="list-style-type: none"><li>- Ongoing development of the graduate and cadet program.</li></ul>	
Notes					
1 Figures are expressed in per million population.	4 The worldwide ranking exercise previously undertaken by the New Zealand regulator did not proceed. As such, no data is available. Further investigation needs to be undertaken as to the appropriateness of this measure.				
2 Relates to three incidents involving three fatalities –	5 Current figures relate only to registered electrical contractors and licensed electrical inspectors. Measures and targets for licensed electrical installation workers are being developed.				
- One incident involved an electricity-related fire resulting in one fatality;	6 Due to the ongoing establishment of processes and procedures related to electricity safety management schemes, performance measures are yet to be determined.				
- One incident involved a helicopter colliding with power lines resulting in one fatality; and	7 Due to the establishment of Energy Safe Victoria, customer satisfaction surveys were deferred until 2005-2006.				
- One incident involved a car colliding with a substation power pole resulting in one fatality.	Achievements relate to the period 1/7/04 to 9/8/05.				
3 The actual figures for electricity-related fires are significantly greater than target because the MFB and the CFA are now reporting more articulate data.					

Outcome and Measures	1.7.04 - 30.6.05 Target	1.7.04 - 30.6.05 Actual	1.7.04 - 9.8.05 Actual	Outcome and Measures	1.7.04 - 30.6.05 Target	1.7.04 - 30.6.05 Actual	1.7.04 - 9.8.05 Actual
----------------------	-------------------------------	-------------------------------	------------------------------	----------------------	-------------------------------	-------------------------------	------------------------------

## KEY PERFORMANCE INDICATORS

## Use Safety

## Incidents

Incidents involving fatalities due to electrocution (excluding suicides). <sup>1</sup>	0.0	0.0	0.0
Incidents involving fatalities associated with an electrical incident where death was caused by something other than electricity (eg. smoke inhalation) (excluding suicides). <sup>1</sup>	0.0	0.2 <sup>2</sup>	0.2 <sup>2</sup>
Incidents involving suicides. <sup>1</sup>	0.0	0.0	0.0
Incidents involving serious injury. <sup>1</sup>	<25.9	23.4	23.6
Serious incidents without injury. <sup>1</sup>	<23.0	26.1	26.3
Incidents involving non-serious injury. <sup>1</sup>	<62.0	62.4	63.0
Non-serious incidents without injury. <sup>1</sup>	<20.8	16.4	20.4
Electricity-related fire starts. <sup>3</sup>	<1,467	1,984	2,202

## Victims

Fatalities due to electrocution (excluding suicides). <sup>1</sup>	0.0	0.0	0.0
Fatalities associated with an electrical incident where death was caused by something other than electricity (eg. smoke inhalation) (excluding suicides). <sup>1</sup>	0.0	0.2 <sup>2</sup>	0.2 <sup>2</sup>
Suicides. <sup>1</sup>	0.0	0.0	0.0
Serious injuries. <sup>1</sup>	<15.3	23.4	23.6
Non-serious injuries. <sup>1</sup>	<47.9	62.4	63.0

## Compliance

Installations with safety switches installed.	62%	61%	61%
Compliant prescribed electrical installation work.	99%	100%	100%
Compliant non-prescribed electrical installation work.	95%	94%	94%
Face-to-face audits of registered electrical contractors, licensed electrical installation workers, licensed electrical inspectors and inspection companies.	1,226	1,728	1,757
System audits of registered electrical contractors, licensed electrical installation workers, licensed electrical inspectors and inspection companies.	38,200	26,388	27,927
Compliant electrical equipment (safety).	100%	100%	100%
Compliant electrical equipment (efficiency).	95%	100%	100%

## Notes

- Figures are expressed in per million population.
- Relates to one incident involving an electricity-related fire resulting in one fatality.
- The actual figures for electricity-related fires are significantly greater than target because the MFB and the CFA are now reporting more articulate data.

## Supply Safety

## Incidents

Incidents involving fatalities due to electrocution (excluding suicides). <sup>1</sup>	0.0	0.2	0.2
Incidents involving fatalities associated with an electrical incident where death was caused by something other than electricity (eg. smoke inhalation) (excluding suicides). <sup>1</sup>	0.0	0.4 <sup>2</sup>	0.4 <sup>2</sup>
Incidents involving suicides. <sup>1</sup>	0.0	0.0	0.0
Incidents involving serious injury. <sup>1</sup>	<10.1	8.1	8.1
Serious incidents without injury. <sup>1</sup>	<90.1	113.0	113.2
Incidents involving non-serious injury. <sup>1</sup>	<69.9	58.8	58.8
Non-serious incidents without injury. <sup>1</sup>	<28.6	21.4	29.8
Electricity-related fire starts. <sup>3</sup>	<775	1,467	1,557

## Victims

Fatalities due to electrocution (excluding suicides). <sup>1</sup>	0.0	0.2	0.2
Fatalities associated with an electrical incident where death was caused by something other than electricity (eg. smoke inhalation) (excluding suicides). <sup>1</sup>	0.0	0.4 <sup>2</sup>	0.4 <sup>2</sup>
Suicides. <sup>1</sup>	0.0	0.0	0.0
Serious injuries. <sup>1</sup>	<12.8	8.1	8.1
Non-serious injuries. <sup>1</sup>	<64.9	58.8	58.8

## Compliance

Compliant network operators <sup>4</sup>			
- Distribution businesses	93%	-	-
- Transmission	93%	-	-
- Generation	TBD	-	-
- Traction	TBD	-	-
Impressed current cathodic protection within current limits.	95%	95%	95%

## Notes

- Figures are expressed in per million population.
  - Relates to two incidents involving two fatalities –
    - One incident involved a helicopter colliding with power lines resulting in one fatality; and
    - One incident involved a car colliding with a substation power pole resulting in one fatality.
  - The actual figures for electricity-related fires are significantly greater than target because the MFB and the CFA are now reporting more articulate data.
  - Due to the ongoing establishment of processes and procedures related to electricity safety management schemes, performance measures are yet to be determined.
- TBD To be determined.

## PERFORMANCE MEASURES

Activity	Full Reporting Period	2004/2005	2003/2004
Applications under Reg 416	103	95	100
Letters of No Objections (LONOs)	365	310	250
Breaches Investigated	342	313	403
Offenders taken to Magistrate court	48	46	57
Warning letters sent	69	70	76
Investigations actioned within 5 days	51%	52%	32%
Investigations final action within 30 days	49%	48%	68%
Successful prosecutions	100%	100%	100%
Infringement notices issued	25	20	41
Site audits of LEIWs	1259	1238	521
Audit of LEIs	84	84	130
Field audits of RECs	414	402	392

### Audit of Registered Electrical Contractors (RECs)

414 RECs were audited between 1 July 2004 and 9 August 2005. On average 86% of RECs were using the certification system. For the period 1 July 2004 and 9 August 2005, 6,020 random telephone audits of RECs have been undertaken.

### Licensed Electrical Workers (LEWs)

The OCEI has undertaken 8,418 random telephone audits and 1,259 site audits of LEWs for the period 1 July 2004 and 9 August 2005.

### Licensed Electrical Inspectors (LEIs)

84 LEIs were audited between 1 July 2004 and 9 August 2005.

### Warning Letters

A total of 69 warning letters concerning various breaches of the Electricity Safety Act and regulations were issued in the period 1 July 2004 to 9 August 2005. The warning letters were sent to 16 RECs, 18 LEWs, 10 LEIs and 25 owners/occupiers of premises.

### Investigations

A total of 342 investigations were conducted for the period 1 July 2004 to 9 August 2005 for various breaches of the Electricity Safety Act and Electricity Safety (Installations) Regulations.

### Non-Prescribed Electrical Installation Work

For the period from 1 July 2004 to 9 August 2005, 31,970 audits were completed and the compliance rate was on average 94%.

### Prescribed Electrical Installation Work

For the period from 1 July 2004 to 9 August 2005, 90,113 mandatory inspections were undertaken. The compliance rate for prescribed electrical installation work on average was 99.7%.

Outcome and Measures	1.7.04 - 30.6.05 Target	1.7.04 - 30.6.05 Actual	1.7.04 - 9.8.05 Actual
<b>CORPORATE</b>			
<b>Corporate</b>			
Industry customers satisfied with the service provided <sup>1</sup>			
- Network operators			
- Electrical workers	73%	-	-
- Equipment manufacturers and importers	94%	-	-
- Labelling manufacturers and importers	95%	-	-
- Retailers of electrical equipment	95%	-	-
- Electrolysis Committee	95%	-	-
Community satisfied with the service provided.	90%	89%	89%
Income on target compared to budget.	95%	103%	103%
Expenditure on target compared to budget.	95%	101%	101%
Compliant sellers of certificates of electrical safety.	95%	85%	85%
Staff retention.	95%	92%	92%
Workforce availability.	98%	98%	98%
Lost time injuries.	0	0	0
Motor vehicle accidents.	0	4	4
Regulatory requirements developed and implemented. <sup>2</sup>	95%	75%	75%
Information technology system requirements developed and implemented.	95%	95%	95%
Information technology applications requirements developed and implemented.	95%	95%	95%

#### Notes

- Due to the establishment of Energy Safe Victoria, customer satisfaction surveys were deferred until 2005-2006.
- Regulations pertaining to network assets and legislative refinements are partially complete but require further development before implementation.



	Full Reporting Period	2004/2005 \$000s	2003/2004 \$000s	2002/2003 \$000s	2001/2002 \$000s	2000/2001 \$000s
<b>FINANCIAL REVIEW OF OPERATIONS - 5 YEAR COMPARISON</b>						
Fee revenue	11,202	10,031	9323	8946	8873	7533
Industry levy	3193	3193	3295	3100	2999	3424*
Total revenue	14,395	13,224	12,618	12,046	11,872	10,957
Net operating result	(263)	229	(230)**	270	405	290
Net cash flow from operations	(99)	NA	647	(10)	1052	684
Total assets	4044	4351	4167	3990	3941	3324
Total liabilities	2514	2329	2374	1967	2188	1977

\* Includes \$1.5M industry audit levy

\*\* After one-off adjustment as a result of a change in accounting policy

## CONSULTANCIES

The OCEI engaged 11 consultants at a total cost of \$185,367 for 11 projects, each consultancy costing less than \$100,000

## HUMAN RESOURCE

### Initiative

The OCEI will strengthen its base through recruitment, training and education and succession planning.

### Achievement

The OCEI enjoys a co-operative relationship with employee representative organisations. During this reporting period regular consultations were held to discuss issues as they arose, the announcement by the Government of its intention to amalgamate OCEI with the Office of Gas Safety enabled an examination of the human resource and industrial relations issues involved in endeavouring to achieve one set of terms and conditions of employment for all employees.

During this reporting period the three cadets, in the fields of legal, information technology and electrolysis, continued their studies and are progressing well. Four graduates are continuing their MBA studies.

## Application of Merit and Equity Principles Statement

The OCEI is committed to merit and equity principles. These principles are integral to the human resource management operations and agreements within the OCEI's Enterprise Agreement, particularly in the areas of recruitment and selection.

## Health and Safety Performance

The OCEI is committed to the health and safety of its employees and has policies documented within its health and safety manual and associated systems.

	1 July 2004 to 9 August 2005			30 June 2004		
	Male	Female	Total	Male	Female	Total
<b>WORKFORCE DATA</b>						
Executive Management	3	0	3	3	0	3
Supply Safety	14	0	14	15	0	15
Use Safety	13	3	16	12	2	14
Regional Offices	2	2	4	2	3	5
Legal	5	1	6	5	1	6
Information Technology	3	1	4	3	1	4
Service Centre	2	1	3	2	2	4
Administration / Finance	6	1	7	5	3	8
HR and Corporate Planning	0	2	2	0	2	2
Secretarial Services						
Total	48	11	59	47	14	61

# FINANCIAL STATEMENTS CONTENTS

<b>STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 9 AUGUST 2005</b>	<b>27</b>
<b>STATEMENT OF FINANCIAL POSITION AS AT 9 AUGUST 2005</b>	<b>28</b>
<b>STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 9 AUGUST 2005</b>	<b>29</b>
<b>NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 9 AUGUST 2005:</b>	
NOTE 1: Summary Of Significant Accounting Policies	30
NOTE 2: Revenue	32
NOTE 3: Depreciation And Amortisation	32
NOTE 4a: Employee Benefits Expense	33
NOTE 4b: Other Expenses From Ordinary Activities	33
NOTE 5: Current Assets - Receivables	33
NOTE 6: Non Current Assets - Receivables	33
NOTE 7: Non-current Assets - Plant And Equipment	33
NOTE 8: Current Liabilities – Payables	34
NOTE 9: Current Liabilities - Fees In Advance	34
NOTE 10a: Current Liabilities - Provisions	34
NOTE 10b: Non-current Liabilities - Provisions	34
NOTE 10c: Employee Benefits	34
NOTE 11a: Cash Flow	34
NOTE 11b: Cash Assets	34
NOTE 12: Financial Instruments	35
NOTE 13: Equity	35
NOTE 14: Contingent Liabilities	35
NOTE 15: Auditors' Remuneration	36
NOTE 16: Commitments For Expenditure	36
NOTE 17: Superannuation	36
NOTE 18: Ministers And Accountable Officers	36
NOTE 19: Remuneration Of Executives	36
Accountable Officer's and Chief Finance and Accounting Officer's Declaration	37
<b>AUDITOR-GENERAL'S REPORT</b>	<b>38</b>

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE PERIOD ENDED 9 AUGUST 2005

	NOTES	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
REVENUE FROM ORDINARY ACTIVITIES	2	14,395	12,618
Total Revenue from ordinary activities		14,395	12,618
EXPENSES			
Employee benefits expense	4a	(6,656)	(5,909)
Compliance Audits		(2,071)	(1,914)
Depreciation & Amortisation	3	(340)	(242)
Other expenses from ordinary activities	4b	(5,591)	(4,783)
		(14,658)	(12,848)
Net result from operating activities	13b	(263)	(230)

The above Statement of Financial Performance should be read in conjunction with the accompanying notes

# STATEMENT OF FINANCIAL POSITION

AS AT 9 AUGUST 2005

	NOTES	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
<b>CURRENT ASSETS</b>			
Cash Assets	11b, 12	1,669	2,292
Receivables	5, 12	1,366	1,050
<b>Total Current assets</b>		<b>3,035</b>	<b>3,342</b>
<b>NON-CURRENT ASSETS</b>			
Receivables – Rental Bond	6, 12	252	252
Plant and equipment	7	757	573
<b>Total Non-current assets</b>		<b>1,009</b>	<b>825</b>
<b>Total assets</b>		<b>4,044</b>	<b>4,167</b>
<b>CURRENT LIABILITIES</b>			
Payables	8, 12	723	757
Fees in advance	9	22	-
Provisions	10a	963	887
<b>Total Current liabilities</b>		<b>1,708</b>	<b>1,644</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10b	806	730
<b>Total Non-current liabilities</b>		<b>806</b>	<b>730</b>
<b>Total liabilities</b>		<b>2,514</b>	<b>2,374</b>
<b>Net Assets</b>		<b>1,530</b>	<b>1,793</b>
<b>EQUITY</b>			
Contributed Capital	13a	1,348	1,348
Accumulated Surplus	13b	182	445
<b>Total equity</b>	13c	<b>1,530</b>	<b>1,793</b>
Contingent Liabilities	14		
Commitments for expenditure	16		

The above Statement of Financial Position should be read in conjunction with the accompanying notes



# STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 9 AUGUST 2005

	NOTES	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
		INFLOWS (OUTFLOWS)	INFLOWS (OUTFLOWS)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of goods and services tax)		15,288	13,317
Interest received		88	82
Payments to suppliers and employees (inclusive of goods and services tax)		(15,475)	(12,752)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>11a</b>	<b>(99)</b>	<b>647</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(524)	(267)
<b>Net cash (outflow) from investing activities</b>		<b>(524)</b>	<b>(267)</b>
Net increase/(decrease) in cash held:		(623)	380
<b>Cash at the beginning of the financial year</b>		<b>2,292</b>	<b>1,912</b>
<b>Cash at the end of the financial year</b>	<b>11b</b>	<b>1,669</b>	<b>2,292</b>

This Statement of Cash Flows should be read in conjunction with the accompanying notes

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 9 AUGUST 2005

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the Financial Management Act 1994, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views.

AAS6 "Accounting Policies" has been applied in respect to the prescribed concepts and disclosures of the accounting policies adopted in the preparation and presentation of the financial report and are consistent with those of the previous year except where a change is required to comply with an Australian Accounting Standard or Urgent Issues Group Consensus View.

The accounts have been prepared under the historical cost convention and except where stated do not take into account current valuations of non-current assets.

#### b) Events occurring after reporting date

The Minister for Energy Industries and Resources, the Hon Theo Theophanous announced a review of the roles played by the Office of Gas Safety, the Office of the Chief Electrical Inspector and the Department of Primary Industries (Minerals & Petroleum Division).

The key focus of the review was to assess the potential gains to be made from merging the regulator, consistent with the convergence of electricity and gas that is occurring in the energy industries in their energy regulatory bodies.

The legislation to replace the Office of Gas Safety & the Office of Chief Electrical Inspector with Energy Safe Victoria was passed by Parliament on 21 July 2005 and received Royal Assent on 27 July 2005. The administrative process of seeking Royal Assent through Executive Council and the appointment of the Director and the effective date of amalgamation was made on 10 August 2005.

From this time on, the Office of Gas Safety and the Office of Chief Electrical Inspector have been replaced by the Energy Safe Victoria. The amalgamation and the appointment of the Director of Energy Safety by the Governor in Council were effective as of 10 August 2005.

The Minister for Finance has provided approval under the Financial Management Act to extend the reporting period to 9 August 2005.

#### c) Comparative Information

Comparative information is effective to 30 June 2004 and not to 9 August 2005 being the reporting date due to the merger of the Office of the Chief Electrical Inspector and the Office of Gas Safety to form Energy Safe Victoria.

This applies to any comparative information included in this report.

#### d) Cash

For purposes of the statement of cash flows, cash includes deposits at call and other highly liquid investments with short terms to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### e) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an on-going basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

#### f) Plant and Equipment

All items of plant and equipment are recorded in the accounts at historical cost. All assets are capitalised if the purchase price exceeds \$1,000 (2004 : \$1,000). Plant and equipment is depreciated over the estimated economic life of the asset to the Office and is calculated on the following basis from the date the item is ready for use. These have remained unchanged from the previous year.

– Furniture and Fixtures	30% diminishing balance;
– Office Machines	30% diminishing balance;
– Office Computers	40% diminishing balance;
– Leasehold Improvements	30% diminishing balance.

#### g) Software

Software is recorded in the accounts at historical cost. It is amortised over its estimated useful life to the Office and is calculated on a 33% straight line basis from the date that it is ready for use as required by SAC4. Website costs have been expensed as incurred.

#### h) Employee Benefits

##### i) Wages, Salaries and Annual Leave

Liabilities for wages and salaries are recognised, and are measured as the amount unpaid at the reporting date at rates at which the liability is expected to be settled including oncosts, in respect of employees' services up to that date.

##### ii) Employee Benefits Provision

AASB 1028 requires the calculation of employee provisions to be reflective of the expected future wage and salary levels of current employees, inclusive of on-costs. During the period from 1 July 2004 to 9 August 2005, the OCEI has adjusted employee provisions in accordance with the requirements set out in AASB 1028.

##### iii) Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. (Refer: Note 10c).

##### iv) Superannuation

The amount charged to the Statement of Financial Performance in respect of superannuation represents the contributions made by the OCEI to the EquipSuper Pty Ltd Fund and the Government Superannuation Office (Refer: Note 17).

**i) Payables**

These amounts represent liabilities for goods and services provided to the OCEI prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 21 days of recognition.

**j) Revenue Recognition**

Revenue resulting from sale of goods and services and regulatory fees is, where possible, recognised when the transaction or event giving rise to the revenue occurs.

Specifically, material revenues arise from the following:

- Registration and Licence fees paid by electrical workers
- Sales of certificates of electrical safety
- Fees paid by manufacturers and importers of electrical equipment for certificate of safety approval prior to the goods being made available for sale
- Fees paid by manufacturers to cover hazardous location investigations.
- Levy charged on the Electricity Industry to ensure compliance with the Electricity Safety Act 1998 and associated Regulations.

Amounts for fees received in advance represents payment by customers for services to be provided by the Office during the next reporting period.

**k) Enabling legislation**

The Office is given the authority to operate by way of the Electricity Safety Act 1998.

**l) Taxes**

The Office remains an operational State Government organisation and there is no requirement for the entity to be subject to income tax.

**m) Leases**

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Statement of Financial Performance in the periods in which they are incurred.

**n) Financial Instruments**

Receivables (Note 5) are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. The collectibility of debts is reviewed regularly, and at balance date, to assess the need for specific provision of any doubtful debts. Credit sales are on 30-day terms.

Trade Payables (Note 8) are recognised for amounts to be paid in the future for goods and services received. Trade payables are normally settled on 21-day terms.

Short Term Deposits are stated at their nominated amount. Interest is recognised in the Statement of Financial Performance when earned. The short term deposits have a weighted maturity of 49.5 days and effective interest rates 4.85% to 5.6% (2003/2004 - Weighted maturity of 51.5 days and effective interest rates 4.35% to 5.35%).

The aggregate net fair values of recognised financial assets and liabilities, at balance date, are equal to their carrying amount as per the Statement of Financial Position.

**o) Compliance Audit**

Compliance audit expenditure relates to payments paid to private inspection companies engaged by the OCEI to conduct audits, on behalf of the OCEI, on non-prescribed electrical installation work carried out by registered electrical contractors and licensed electrical workers.

**p) Rounding of Amounts**

Amounts in the financial report have been rounded to the nearest thousand dollars or in other cases to the nearest dollar.

**q) Expenditure incurred on behalf of Energy Safe Victoria**

The OCEI incurred expenditure of \$251,184 (Capital \$8,724 – Expenses \$242,460) as a result of the merger between OCEI and the Office of Gas Safety (OGS) to form Energy Safe Victoria from 10 August 2005.

**r) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards**

OCEI is preparing and managing the transition to Australian equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the economic entity's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be re-stated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The economic entity's management, with the assistance of external consultants, has assessed the significance of the expected changes and is preparing for their implementation. An audit committee is overseeing and managing the economic entity's transition to AIFRS. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The management are of the opinion that the key material differences in the economic entity's accounting policies on conversion to AIFRS and the financial effect of these differences, where known, are as follows. Users of the financial statements should note, however, that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes from the continuing work of the economic entity's AIFRS committee.

**i) Impairment of Assets**

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell, and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. The current policy is to determine the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The initial financial impact of this change is nil.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 9 AUGUST 2005

### ii) Financial Instruments: Recognition and Measurement

Under AASB 139: Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determines the accounting treatment of the item. The categories and various treatments are:

- held to maturity, measured at amortised cost;
- held for trading, measured at fair value with unrealised gains or losses charged to the profit and loss;
- loans and receivables, measured at amortised cost; and
- available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

AASB 1 provides an election whereby the requirements of AASB 139 dealing with financial instruments are not required to be applied to the first AIFRS comparative year, and the first time adoption of this standard will apply from 1 July 2005. The economic entity has decided that it will adopt this election.

The initial financial impact of this change is nil.

### iii) Employee Entitlements

Under AASB 119: Employee Benefits, the standard requires that all non-current employee entitlements are to be classified as non-current and measured on a discounted basis. The impact of this is that OCEI are required to allocate employee benefits such as annual leave between the current and non-current portion if applicable and discount the non-current portion to present value (using an interest rate similar to the rate used in long service leave calculations) and apply an appropriate wage inflation factor.

The management believe that there are annual leave balances exceeding a 12 month period, and as such, OCEI has calculated the impact on transition to be a reclassification of annual leave expense from current to non-current of \$377k.

### iv) Leases

AASB 117 'Leases' excludes quantitative guidance for the classification of leases. In determining whether a lease is a finance lease or operating lease the following definitions are applicable:

- finance lease: is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.
- operating lease: is a lease other than a finance lease.

Accordingly, lease classification may change for assets that were previously "borderline" operating or finance leases. At 9 August 2005, OCEI has only operating leases. The management have reviewed the lease classification and have ensured that they still meet the appropriate recognition criteria as operating leases.

The initial financial impact of this change is nil.

No reconciliation has been included in this note as the organisation would cease to exist on transition to AIFRS and hence there will be no first financial report prepared in accordance with AIFRS for OCEI. However, these impacts will be carried through to Energy Safe Victoria.

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 2: REVENUE

#### (a) Revenue from operating activities

Licence Fees	2,974	2,495
Approval Fees	430	403
Certificates of Electrical Safety	5,193	4,769
Electrolysis	1,006	812
Appliance Efficiency	425	164
Hazardous Location Investigations	459	281
Other	436	100
Sub Total fees	10,923	9,024
Industry Levy	3,193	3,295
	14,116	12,319

#### (b) Revenue from outside the operating activities

Sub-lease Rental	-	71
Interest	99	91
Other	180	137
Revenue from ordinary activities	279	299
	14,395	12,618

The amount disclosed as revenue from outside the operating activities in Note 2(b) above represents fees recovered from the sale of information brochures and the recoupment of legal costs.

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 3: DEPRECIATION AND AMORTISATION

Outlined below are the amounts charged for depreciation and amortisation in the current year for each class of asset in the Statement of Financial Position:

Furniture and Fixtures	24	15
Office Machines/Computers	144	95
Software	138	105
Leasehold Improvements	34	27
	340	242



	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
<b>NOTE 4a: EMPLOYEE BENEFITS EXPENSE</b>		
Outlined below is the detailed breakdown related to employee benefits expense		
Salaries	5,768	4,644
On-costs		
Superannuation	474	514
Annual Leave (movement)	63	353
Long Service Leave (movement)	(43)	59
Workers Compensation	32	38
Payroll Tax	293	250
Fringe Benefits Tax	69	51
Subtotal On-costs	888	1,265
	6,656	5,909

The amount of (\$43,128) disclosed as long service leave movement for the period 1 July 2004 to 9 August 2005 reflects changes and subsequent payout of long service leave entitlements under the OCEI's current enterprise agreement.

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
<b>NOTE 4b: OTHER EXPENSES FROM ORDINARY ACTIVITIES</b>		
Rent	672	562
Advertising	908	810
Motor Vehicle Expenses	504	451
Printing & Stationery	591	296
Telecommunications	390	416
Consulting Fees	185	316
Emergency Response	104	62
Business Services	313	249
Legal Fees	26	53
Admin Fees - Certificates of Electrical Safety	230	213
Insurance	220	243
Computer Expenses	203	130
Travel Expenses	99	144
Training & Education	80	70
Audit Services (including Bushfire Mitigation)	157	131
Office Equipment	99	101
Committee Member Fees	80	152
Hazardous Location Investigations	175	145
Other	555	239
	5,591	4,783

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
<b>NOTE 5: CURRENT ASSETS - RECEIVABLES</b>		
Approval fees	112	88
Electrolysis fees	246	174
Appliance Efficiency fees	76	57
Distribution Businesses	208	97
Agent - Certificate of Electrical Safety	508	376
G.S.T. Input Tax Credit	46	71
Loans	22	-
General	297	206
	1,515	1,069
Less Provision for Doubtful Debts	(149)	(19)
	1,366	1,050

An amount of \$296,751 reported as General Receivable for the period Ended 9 August 2005 relates to the increased work undertaken by the OCEI for the installation of electrical equipment in hazardous locations throughout the State (\$224,930) and Other (\$71,821).

Loans relates to expenses paid on behalf of the Office of Gas Safety.

In 2002/2003 a provision for doubtful debts of \$19,135 was established. This provision relates to the National Express Group relinquishing their franchise in Bayside Trains and Swanston Trams. The Group was placed in Receivership and Official Administration in December 2002. This provision remains valid given that the businesses remain under Administration, however, the provision has been reduced by \$3,122 being the first dividend paid in July 2005.

Following a review of outstanding debtors, a further \$133,440 was transferred to the Provision for Bad and Doubtful Debts.

<b>NOTE 6: NON CURRENT ASSETS - RECEIVABLES</b>		
Rental Bond	252	252
	252	252

The rental bond represents the payment made by the OCEI, held in trust, to secure the premises at 4 Riverside Quay, Southbank.

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

#### **NOTE 7: NON-CURRENT ASSETS - PLANT AND EQUIPMENT**

Furniture and fixtures at cost	230	158
Less: accumulated depreciation	(145)	(121)
	85	37
Office Machines at cost	1,256	1,081
Less: accumulated depreciation	(932)	(788)
	324	293
Software at cost	867	660
Less: accumulated amortisation	(631)	(493)
	236	167
Leasehold Improvements at cost	259	189
Less accumulated depreciation	(147)	(113)
	112	76
Summary:		
Plant and equipment at cost	2,612	2,088
Less: accumulated depreciation / amortisation	(1,855)	(1,515)
Carrying amount at end of period/year	757	573

#### **Reconciliations**

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below. Any variance is due to rounding factors.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 9 AUGUST 2005

	Furniture & Fixtures (\$'000)	Office Machines (\$'000)	Software (\$'000)	Leasehold Improvements (\$'000)	Total (\$'000)
Carrying amount at start of period	37	293	167	76	573
Additions	72	175	207	70	524
Disposals	-	-	-	-	-
Depreciation/ Amortisation expense	(24)	(144)	(138)	(34)	(340)
	85	324	236	112	757

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 8: CURRENT LIABILITIES - PAYABLES

Payables	658	569
Tax payable – BAS	-	149
Accruals	65	39
	723	757

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 9: CURRENT LIABILITIES - FEES IN ADVANCE

Fees received in advance		
Electrolysis	22	-
	22	-

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 10a: CURRENT LIABILITIES - PROVISIONS

Superannuation	61	-
Employee benefits - annual leave	827	813
Employee benefits - long service leave	75	74
	963	887

### NOTE 10b: NON-CURRENT LIABILITIES - PROVISIONS

Employee benefits - long service leave	806	730
	806	730

### NOTE 10c: EMPLOYEE BENEFITS

Long Service Leave		
Weighted average discount rate	5.3%	5.6%

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 11a: CASH FLOW

Reconciliation of net cash used in operating activities to operating surplus.

Operating surplus / (deficit)	(263)	(230)
Depreciation / Amortisation	340	242
Doubtful Debts	130	-
	207	12

### Change in assets and liabilities

Current assets		
Decrease /(Increase) in receivables	(446)	228
Decrease /(Increase) in other	-	-
Decrease /(Increase) in current assets	(446)	228

Non Current assets		
Decrease /(Increase) in receivables	-	-

Decrease /(Increase) in non current assets	-	-
--	---	---

Current liabilities		
Increase /(Decrease) in payables	(37)	64
Increase /(Decrease) in other	22	(12)
Increase /(Decrease) in provisions	78	341

Increase /(Decrease) in current liabilities	63	393
---	----	-----

Non-current liabilities		
Increase /(Decrease) in provisions	77	14

Increase /(Decrease) in non-current liabilities	77	14
---	----	----

Net cash flows from operating activities	(99)	647
--	------	-----

### NOTE 11b: CASH ASSETS

Cash on hand	2	2
Bank	99	310
Deposits – @ call	433	904
Deposits – NCD/Bills	1,135	1,076
	1,669	2,292

Balances as above	1,669	2,292
Balances as per statement of cash flow	1,669	2,292

## NOTE 12: FINANCIAL INSTRUMENTS

## a) Interest Rate Risk Exposures

The Office exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

9 Aug 2005	NOTE	FIXED INTEREST RATE Floating Interest Rate (\$'000)	Non-interest Bearing (\$'000)	Total (\$'000)
<b>Financial Assets</b>				
Cash	11b	1,567	102	1,669
Receivables	5, 6	-	1,618	1,618
		1,567	1,720	3,287
		1,567		
Weighted Average Interest Rate		5.25%		
<b>Financial Liabilities</b>				
Payables	8	-	723	723
		-	723	723
Net Financial Assets		1,567	997	2,564

30 Jun 2004	NOTE	FIXED INTEREST RATE Floating Interest Rate (\$'000)	Non-interest Bearing (\$'000)	Total (\$'000)
<b>Financial Assets</b>				
Cash	11b	1,980	312	2,292
Receivables	5, 6	-	1,302	1,302
		1,980	1,614	3,594
		1,980		
Weighted Average Interest Rate		4.69%		
<b>Financial Liabilities</b>				
Payables	8	-	757	757
		-	757	757
Net Financial Assets		1,980	857	2,837

## b) Credit Risk Exposures

The credit risk on financial assets of the Office which have been recognised on the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

## c) Net fair values of financial assets and liabilities

## Valuation approach

The carrying amounts of cash assets, receivables, investments and payables approximate their net fair value.

	NOTE	9 Aug 2005 (\$'000)	Net Fair Value (\$'000)	Carrying Amount 30 Jun 2004 (\$'000)	Net Fair Value (\$'000)
<b>Financial Assets</b>					
Cash Assets	11b	1,669	1,669	2,292	2,292
Receivables	5, 6	1,618	1,618	1,302	1,302
		3,287	3,287	3,594	3,594
<b>Financial Liabilities</b>					
Payables	8	723	723	757	757
Total		2,564	2,564	2,837	2,837

## d) Reconciliation of Net Financial Assets to Net Assets

	NOTE	9 Aug 2005 (\$'000)	30 Jun 2004 (\$'000)
<b>Net Financial Assets (as above) and includes Rent Bond</b>			
		2,564	2,837
<b>Non Financial Assets and Liabilities</b>			
Plant & Equipment	7	757	573
Fees Received in Advance	9	(22)	-
Provisions	10a, 10b	(1,769)	(1,617)
<b>Net Assets per Statement of Financial Position</b>		1,530	1,793

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

## NOTE 13: EQUITY

## a) Contributed Capital

Balance at beginning	1,348	1,348
Balance at end	1,348	1,348

## b) Accumulated Surplus

Accumulated surplus at beginning of the financial year	445	675
Surplus/(Deficit) as recognised in the Statement of Financial Performance	(263)	(230)
Accumulated surplus at the end of the financial year	182	445

## c) Total Equity

Contributed Capital	1,348	1,348
Accumulated Surplus	182	445
Total Equity	1,530	1,793

## NOTE 14: CONTINGENT LIABILITIES

As a regulator, the OCEI has the responsibility to prosecute for breaches of the Electricity Safety Act 1998 and associated regulations. There are no contingent liabilities for the period covering 1 July 2004 to 9 August 2005.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 9 AUGUST 2005

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 15: AUDITORS' REMUNERATION

Audit fees paid or payable to the Victorian Auditor General's office for audit of the OCEI's financial report:

Paid as at period/year end	-	-
Payable as at period/year end	12	12

Note: This amount is inclusive of GST.

	Period Ended 9 Aug 2005 (\$'000)	Year Ended 30 Jun 2004 (\$'000)
--	--	---------------------------------------

### NOTE 16: COMMITMENTS FOR EXPENDITURE

(i) Motor vehicles		
Not later than one year	356	383
Later than one year but not later than five years	713	765
Later than five years	-	-
	<u>1,069</u>	<u>1,148</u>
(ii) Office accommodation		
Not later than one year	649	598
Later than one year but not later than five years	2,936	2,706
Later than five years	1,697	1,564
	<u>5,282</u>	<u>4,868</u>
(iii) Office equipment		
Not later than one year	43	54
Later than one year but not later than five years	109	109
Later than five years	-	-
	<u>152</u>	<u>163</u>
Total	<u>6,503</u>	<u>6,179</u>

Note: The 2004/05 gross office accommodation commitment includes the lease on premises and outgoings for 4 Riverside Quay, Southbank, 15 Ceylon Street, Nunawading and 32A Doveton Street North, Ballarat. (The 2003/04 accommodation commitment is net of the value of the sub-lease for the Southbank premises)

The above commitments are inclusive of GST.

### NOTE 17: SUPERANNUATION

The Office contributes to the EquipSuper Pty Ltd Fund (formerly the Victorian Electricity Industry Superannuation Fund) & the Government Superannuation Office. Contributions for permanent staff are calculated on the basis of 11% of gross pay and totalled \$472,576 for the period Ended 9 August 2005 (2003/2004 - \$513,713). The 2004/2005 amount includes a superannuation contribution recess granted by the EquipSuper Pty Ltd Fund due to funding being in excess of requirements. This resulted from the investment performance of the fund in recent years. Further contributions have been paid to the Government Superannuation Office in relation to the Chief Executive Officer. At balance date, 9 August 2005, \$61,285 was outstanding, being staff salary sacrifice contributions. The Office does not have any loans with the Fund.

### NOTE 18: MINISTERS AND ACCOUNTABLE OFFICERS

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding the responsible persons for the reporting period.

#### Names

The persons who held the positions of Ministers and Accountable Officers at any one time during the financial year are:

#### Responsible Minister:

The Honourable Theo Theophanous MP  
Minister for Energy Industries and Resources

#### Accountable Officers:

Mr W J Greenland  
Chief Electrical Inspector  
(1 July 2004 to 31 August 2004)

Mr K Gardner  
Chief Electrical Inspector  
(1 September 2004 to 9 August 2005)

#### Remuneration - Accountable Officer

Total remuneration received or receivable by the accountable officers in connection with the management of the Office during the reporting period was in the range:

\$150,000 - \$159,999 (2003/2004: \$240,000 - \$249,999)

The Accountable Officer's remuneration for 2003/04 includes payment of annual leave and long service leave entitlement on cessation of employment.

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

#### Other Transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### NOTE 19: REMUNERATION OF EXECUTIVES

Income Band	Total Remuneration		Base Remuneration	
	2004/05	2003/04	2004/05	2003/04
\$100,000 - \$109,999	-	1	1	1
\$110,000 - \$119,999	-	-	-	3
\$120,000 - \$129,999	1	-	-	-
\$130,000 - \$149,999	-	-	3	-
\$150,000 - \$159,999	3	3	-	-
Total Number	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total Amount	<u>\$607,764</u>	<u>\$566,063</u>	<u>\$518,570</u>	<u>\$442,298</u>

In 2003/04 the total Remuneration of Executives is impacted by a "one-off" adjustment to align Executive remuneration with the OCEI's Enterprise Agreement. (Note: After adjustment for this item the 2003/04 total remuneration for each executive is in the income band \$120,000 - \$129,999).

The Office did not engage in any transactions with the above stated persons or their related parties during the period from 1 July 2004 to 9 August 2005.



#### ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

---

We certify that the attached financial statements for the Office of the Chief Electrical Inspector have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of financial performance, statement of financial position, statement of cash flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the period ended 9 August 2005 and financial position of the Office of the Chief Electrical Inspector as at 9 August 2005.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



K Gardner  
DIRECTOR OF ENERGY SAFETY  
10 November 2005



A Kelly  
GENERAL MANAGER CORPORATE SERVICES  
10 November 2005

# AUDITOR-GENERAL'S REPORT



## AUDITOR GENERAL VICTORIA

### INDEPENDENT AUDIT REPORT

#### Office of the Chief Electrical Inspector

#### To the Members of the Parliament of Victoria and the Chief Electrical Inspector

#### Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the period ended 9 August 2005 relates to the financial report of the Office of the Chief Electrical Inspector included on its web site. The Chief Electrical Inspector is responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

#### Scope

##### *The Financial Report*

The accompanying financial report for the period ended 9 August 2005 of the Office of the Chief Electrical Inspector consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report, and the supporting declaration.

##### *Chief Electrical Inspector's Responsibility*

The Chief Electrical Inspector is responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

##### *Audit Approach*

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Electrical Inspector
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000  
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*



## AUDITOR GENERAL VICTORIA

### Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Office's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.


#### Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

#### Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of the Office of the Chief Electrical Inspector as at 9 August 2005 and its financial performance and cash flows for the period then ended.

MELBOURNE  
11 November 2005

  
JW CAMERON  
Auditor-General

## CORPORATE INFORMATION

### AUDIT COMMITTEE

The Audit Committee consists of the following members:

- Carmel Ackerly (Chairperson)
- Larry Gould
- Joy Bernard
- Alan Kelly.

The areas of responsibility covered by the Audit Committee are:

- External reporting
- Internal control and risk management
- Related party transactions
- External audit
- Internal audit.

The functionality of the Audit Committee is set out in its terms of reference and includes:

- To review the quarter, half year and annual financial performance of the OCEI focusing particularly on:
  - Reporting on all financial information, inclusive of the requirements with Australian Accounting Standards, Accounting Concepts, Urgent Issues Group and the Financial Management Act
  - Any changes in accounting policies and practices
  - Methods used to account for significant unusual transactions or transactions for which there are no specific accounting standards
- To coordinate and manage the scope and quality of the internal and external audit program
- To review the internal audit program, consider the major findings of the audit and management's response and ensure coordination of the OCEI's annual audit program between the internal and external auditors
- To review related party transactions
- To establish a committee which shall consist of not less than 3 members, where two members of the committee, inclusive of the chairperson, are independent from the management of the OCEI
- The arrangements for committee meetings, inclusive of the power to call meetings and details of what constitutes a quorum
- To obtain information from any employee and any relevant external party and to institute special investigations and report the findings of those to the CEI

- To review internal controls of the OCEI in relation to the prevention, detection and investigation of fraud and irregular activity
- To report on its activities to the CEI on a regular basis.

### FREEDOM OF INFORMATION

The Office of the Chief Electrical Inspector received 40 freedom of information requests during this reporting period. All requests were dealt with in accordance with the Freedom of Information Act 1982. Application fees and access charges received during this reporting period totalled \$1025.00

Freedom of information requests must be made in writing, accompanied by a \$21.00 application fee and be addressed to:

#### Mr Andrew Padany

Freedom of Information Officer  
Energy Safe Victoria  
PO Box 262 Collins Street West,  
Vic 8007

Energy Safe Victoria produces statements which are available on its website ([www.esv.vic.gov.au](http://www.esv.vic.gov.au)) containing details as required under the Freedom of Information Act 1982. Further information can be obtained from the Freedom of Information Officer.

### NATIONAL COMPETITION POLICY

The regulations made during the year were reviewed for compliance with national competition policy. These regulations are consistent with the national competition policy principles.

### STATUTORY INFORMATION

Information on the following matters is available from the OCEI on request.

- declarations of pecuniary interests (which includes details of shares held)
- details of publications produced and how these may be obtained
- details of changes in prices, fees, charges, rates and levies
- details of major promotional, public relations and marketing activities undertaken
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement of industrial relations and details of time lost through industrial accidents and disputes

- a list of major committees sponsored, the purposes of each committee and the extent to which the purposes have been achieved.

The following matters did not apply to the OCEI during this reporting period - major external reviews, major research and development activities, overseas visits.

### CUSTOMERS

#### Primary Customers

Customers who are provided with a regular service by the OCEI.

- Minister responsible for the electricity industry;
- General public;
- Electrical workers (licensed electrical inspectors, registered electrical contractors and licensed electrical installation workers);
- Generation, transmission and distribution businesses and the traction industry and other network operators;
- Manufacturers, importers, wholesalers and retailers of electrical equipment; and
- Electrolysis stakeholders.

#### Secondary Customers

Customers who periodically interact or require a service from the OCEI.

- Government departments and agencies
- Local municipal authorities and other customers with a responsibility for tree clearing
- Utilities and the petroleum industry
- Tertiary and other education providers
- Retailers of electricity
- Energy and Water Ombudsman (Victoria)
- Unions and staff associations.



## WHISTLEBLOWERS PROTECTION ACT 2001

Disclosure	Result
<b>STATISTICAL INFORMATION</b>	
Disclosures made to the OCEI since the commencement of the Act	Nil
Disclosures referred to the Ombudsman (to determine whether they are public interest disclosures)	Nil
Disclosures referred to the OCEI by the Ombudsman	Nil
Disclosures referred by the OCEI to the Ombudsman to investigate	Nil
Investigations of disclosures taken over by the Ombudsman from the OCEI	Nil
Requests by complainants to have their disclosure investigated by the Ombudsman due to their dissatisfaction with the way the OCEI is investigating the matter	Nil
Disclosure that the OCEI has declined to investigate	Nil
Disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	Nil
Recommendations made by the Ombudsman that relate to the OCEI	Nil

## 1 STATEMENT OF SUPPORT TO WHISTLEBLOWERS

The Office of the Chief Electrical Inspector (OCEI) is committed to the aims and objectives of the Whistleblowers Protection Act 2001 (the Act). It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The OCEI recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The OCEI will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

## 2 PURPOSE OF THESE PROCEDURES

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by OCEI or its employees. The system enables such disclosures to be made to the protected disclosure coordinator or to one of the nominated protected disclosure officers. Disclosures may be made by employees or by members of the public.

These procedures are designed to complement normal communication channels between supervisors and employees. Employees are encouraged to continue to raise appropriate matters at any time with their supervisors. As an alternative, employees may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

## 3 OBJECTS OF THE ACT

The Whistleblowers Protection Act 2001 commences operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

## 4 DEFINITIONS OF KEY TERMS

Three key concepts in the reporting system are improper conduct, corrupt conduct and detrimental action. Definitions of these terms are set out below.

## 4.1 Improper Conduct

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

## Examples

To avoid closure of a town's only industry, an environmental health officer ignores or conceals evidence of illegal dumping of waste.

An agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock.

A building inspector tolerates poor practices and structural defects in the work of a leading local builder.

See 4.2 below for specific examples of corrupt conduct.

## 4.2 Corrupt Conduct

Corrupt conduct means:

- Conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions;
- The performance of a public officer's functions dishonestly or with inappropriate partiality;
- Conduct of a public officer, former public officer or a public body that amounts to a breach of public trust;
- Conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions; or
- A conspiracy or attempt to engage in the above conduct.

## Examples

A public officer takes a bribe or receives a payment other than his or her wages or salary in exchange for the discharge of a public duty.

A public officer favours unmeritorious applications for jobs or permits by friends and relatives.

A public officer sells confidential information.

## CORPORATE INFORMATION

### WHISTLEBLOWERS PROTECTION ACT 2001

#### 4.3 Detrimental Action

The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure. Detrimental action includes:

- Action causing injury, loss or damage;
- Intimidation or harassment; and
- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.

#### Examples

A public body refuses a deserved promotion of a person who makes a disclosure.

A public body demotes, transfers, isolates in the workplace or changes the duties of a whistleblower due to the making of a disclosure.

A person threatens, abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his or her family or friends.

A public body discriminates against the whistleblower or his or her family and associates in subsequent applications for jobs, permits or tenders.

#### 5 THE REPORTING SYSTEM

##### 5.1 Contact Persons Within the OCEI

Disclosures of improper conduct or detrimental action by OCEI or its employees, may be made to the following officers:

The protected disclosure coordinator:

##### Peter Hester

Manager Legal Operations  
Level 3, Building 2  
4 Riverside Quay  
Southbank 3006  
Ph: 9203 9750  
Fax: 9686 2197

The protected disclosure officer:

##### Andrew Padanyi

Legal Officer  
Level 3, Building 2  
4 Riverside Quay  
Southbank 3006  
Ph: 9203 9772  
Fax: 9686 2197  
Email: apadanyi@esv.vic.gov.au

All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.

Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

##### 5.2 Alternative Contact Persons

A disclosure about improper conduct or detrimental action by OCEI or its employees, may also be made directly to the Ombudsman:

The Ombudsman Victoria  
Level 22, 459 Collins Street  
Melbourne Victoria 3000 (DX 210174)  
Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)  
Tel: 9613 6222  
Toll Free: 1800 806 314

The following table sets out where disclosures about persons other than employees of OCEI should be made.

#### PERSON WHO IS THE SUBJECT OF THE DISCLOSURE

Employee of a public body  
Member of Parliament (Legislative Assembly)  
Member of Parliament (Legislative Council)  
Councillor  
Chief Commissioner of Police  
Member of the police force

#### PERSON/BODY TO WHOM THE DISCLOSURE MUST BE MADE

That public body or the Ombudsman  
Speaker of the Legislative Assembly  
President of the Legislative Council  
The Ombudsman  
The Ombudsman or Deputy Ombudsman  
The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

## 6 ROLES AND RESPONSIBILITIES

### 6.1 Employees

Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures.

All employees of the OCEI have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

### 6.2 Protected Disclosure Officers

Protected disclosure officers will:

- Be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action;
- Make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace;
- Receive any disclosure made orally or in writing (from internal and external whistleblowers);
- Commit to writing any disclosure made orally;
- Impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, 'a protected disclosure');
- Take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- Forward all disclosures and supporting evidence to the protected disclosure coordinator.

### 6.3 Protected Disclosure Co-ordinator

The protected disclosure coordinator has a central 'clearinghouse' role in the internal reporting system. He or she will:

- Receive all disclosures forwarded from the protected disclosure officers;
- Receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure;

- Impartially assess each disclosure to determine whether it is a public interest disclosure;
- Refer all public interest disclosures to the Ombudsman;
- Be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the public body by the Ombudsman;
- Be responsible for overseeing and coordinating an investigation where an investigator has been appointed;
- Appoint a welfare manager to support the whistleblower and to protect him or her from any reprisals;
- Advise the whistleblower of the progress of an investigation into the disclosed matter;
- Establish and manage a confidential filing system;
- Collate and publish statistics on disclosures made;
- Take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- Liaise with the chief executive officer of the public body.

### 6.4 Investigator

The investigator will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the public body. An investigator may be a person from within an organisation or a consultant engaged for that purpose.

### 6.5 Welfare Manager

The welfare manager is responsible for looking after the general welfare of the whistleblower. The welfare manager will:

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure; and
- Ensure the expectations of the whistleblower are realistic.

## 7 CONFIDENTIALITY

The OCEI will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring that reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in breach of section 22 constitutes an offence that is punishable by a maximum fine of 60 penalty units (\$6000) or six months imprisonment or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- Where exercising the functions of the public body under the Act;
- When making a report or recommendation under the Act;
- When publishing statistics in the annual report of a public body; and
- In criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that is likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

The OCEI will ensure all files, whether paper or electronic, are kept in a secure place and can only be accessed by the protected disclosure coordinator, protected disclosure officer, the investigator or welfare manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging of information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on floppy disc. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

The OCEI will not email documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.

## CORPORATE INFORMATION

### WHISTLEBLOWERS PROTECTION ACT 2001

#### 8 COLLATING AND PUBLISHING STATISTICS

The protected disclosure coordinator will establish a secure register to record the information required to be published in the annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

The register will contain the following information:

- The number and types of disclosures made to the public body during the year;
- The number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures;
- The number and types of disclosed matters referred to the public body by the Ombudsman for investigation;
- The number and types of disclosures referred by the public body to the Ombudsman for investigation;
- The number and types of investigations taken over from the public body by the Ombudsman;
- The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the public body;
- The number and types of disclosed matters that the public body has declined to investigate;
- The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation; and
- Any recommendations made by the Ombudsman that relate to the public body.

#### 9 RECEIVING AND ASSESSING DISCLOSURES

##### 9.1 Has the Disclosure Been Made in Accordance With Part 2 of the Act?

Where a disclosure has been received by the protected disclosure officer or by the protected disclosure coordinator, he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

##### 9.1.1 Has the Disclosure Been Made to the Appropriate Person?

For the disclosure to be responded to by the OCEI, it must concern an employee, member or officer of the OCEI. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. (See the table in 5.2). If the disclosure has been made anonymously, it should be referred to the Ombudsman.

##### 9.1.2 Does the Disclosure Contain the Essential Elements of a Protected Disclosure?

To be a protected disclosure, a disclosure must satisfy the following criteria:

- Did a natural person (that is, an individual person rather than a corporation) make the disclosure?
- Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- Does the person making a disclosure have reasonable grounds for believing the alleged conduct has occurred?

Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator. The protected disclosure coordinator will determine whether the disclosure is a public interest disclosure.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure officer will decide how the matter should be responded to in consultation with the protected disclosure coordinator.

##### 9.2 Is the Disclosure a Public Interest Disclosure?

Where the protected disclosure officer or coordinator has received a disclosure that has been assessed to be a protected disclosure, the protected disclosure coordinator will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure.

In reaching a conclusion as to whether a protected disclosure is a public interest disclosure, the protected disclosure coordinator will consider whether the disclosure shows, or tends to show, that the public officer to whom the disclosure relates:

- Has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer; or
- Has taken, is taking or proposes to take detrimental action in reprisal for the making of the protected disclosure.

Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest disclosure, he or she will:

1. Notify the person who made the disclosure of that conclusion; and
2. Refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

Where the protected disclosure coordinator concludes that the disclosure is not a public interest disclosure, he or she will:

1. Notify the person who made the disclosure of that conclusion; and
2. Advise that person that he or she may request the public body to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will make the notification and the referral within 14 days of the conclusion being reached by the public body. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

## 10 INVESTIGATIONS

### 10.1 Introduction

Where the Ombudsman refers a protected disclosure to the OCEI for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.

The objectives of an investigation will be:

- To collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- To consider the information collected and to draw conclusions objectively and impartially;
- To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- To make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

### 10.2 Terms of Reference

Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference and obtain authorisation for those terms by the chief executive officer. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress.

### 10.3 Investigation Plan

The investigator will prepare an investigation plan for approval by the protected disclosure coordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

At the commencement of the investigation, the whistleblower should be:

- Notified by the investigator that he or she has been appointed to conduct the investigation;
- Asked to clarify any matters; and
- Provide any additional material he or she might have.

The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

### 10.4 Natural Justice

The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

The OCEI will have regard to the following issues in ensuring procedural fairness:

- The person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond. (This does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced);
- If the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person's defence should be fairly set out in the report;
- All relevant parties to a matter should be heard and all submissions should be considered;
- A decision should not be made until all reasonable inquiries have been made;
- The investigator or any decision maker should not have a personal or direct interest in the matter being investigated;
- All proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process; and
- The investigator must be impartial in assessing the credibility of the whistleblowers and any witnesses. Where appropriate, conclusions as to credibility should be included in the investigation report.



## CORPORATE INFORMATION

### WHISTLEBLOWERS PROTECTION ACT 2001

#### 10.5 Conduct of the Investigation

The investigator will make contemporaneous notes of all discussions and phone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower. Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his or her welfare manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

#### 10.6 Referral of an Investigation to the Ombudsman

The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- The investigation is being obstructed by, for example, the non-cooperation of key witnesses; or
- The investigation has revealed conduct that may constitute a criminal offence.

#### 10.7 Reporting Requirements

The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

#### 11 ACTION TAKEN AFTER AN INVESTIGATION

##### 11.1 Investigator's Final Report

At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the protected disclosure coordinator. The report will contain:

- The allegation/s;
- An account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed;
- The conclusions reached and the basis for them; and
- Any recommendations arising from the conclusions.

Where the investigator has found that the conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:

- The steps that need to be taken by the OCEI to prevent the conduct from continuing or occurring in the future; and
- Any action that should be taken by the OCEI to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.

The report will be accompanied by:

- The transcript or other record of any oral evidence taken, including tape recordings; and
- All documents, statements or other exhibits received by the investigator and accepted as evidence during the course of the investigation.

Where the investigator's report is to include an adverse comment against any person, that person will be given the opportunity to respond and his or her defence will be fairly included in the report.

The report will not disclose particulars likely to lead to the identification of the whistleblower.

##### 11.2 Action to be Taken

If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the chief executive officer the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

- The protected disclosure coordinator will provide a written report setting out the findings of the investigation and any remedial steps taken to the Ombudsman, the whistleblower and the responsible Minister.

Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

## 12 MANAGING THE WELFARE OF THE WHISTLEBLOWER

### 12.1 Commitment to Protecting Whistleblowers

The OCEI is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures. The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure;
- Keep a contemporaneous record of all aspects of the case management of the whistleblower, including all contact and follow-up action; and
- Ensure the expectations of the whistleblower are realistic.

All employees will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units (\$24,000) or two years imprisonment or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

Detrimental action includes:

- Causing injury, loss or damage;
- Intimidation or harassment; and
- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business (including the taking of disciplinary action).

### 12.2 Keeping the Whistleblower Informed

The protected disclosure coordinator will ensure the whistleblower is kept informed of action taken in relation to his or her disclosure, and the time frames that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation, and the steps taken by the OCEI to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by the OCEI in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

### 12.3 Occurrence of Detrimental Action

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:

- Record details of the incident;
- Advise the whistleblower of his or her rights under the Act; and
- Advise the protected disclosure coordinator or chief executive officer of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act. Where the protected disclosure coordinator is satisfied that the disclosure is a public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

## CORPORATE INFORMATION

### WHISTLEBLOWERS PROTECTION ACT 2001

#### 12.4 Whistleblowers Implicated in Improper Conduct

Where a person who makes a disclosure is implicated in misconduct, the OCEI will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures. The OCEI acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

The chief executive officer will make the final decision on the advice of the protected disclosure coordinator as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

In all cases where disciplinary or other action is being contemplated, the chief executive officer must be satisfied that it has been clearly demonstrated that:

- The intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information);
- There are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances; and
- There are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The protected disclosure coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The protected disclosure coordinator will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.

#### 13 MANAGEMENT OF THE PERSON AGAINST WHOM A DISCLOSURE HAS BEEN MADE

The OCEI recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures. The OCEI will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

The protected disclosure coordinator will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body is:

- Informed as to the substance of the allegations;
- Given the opportunity to answer the allegations before a final decision is made;
- Informed as to the substance of any adverse comment that may be included in any report arising from the investigation; and has
- His or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

The OCEI will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the chief executive officer of the OCEI will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

#### 14 CRIMINAL OFFENCES

The OCEI will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

1. It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment or both.
2. It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6,000) or six months imprisonment or both.
3. It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.
4. It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

#### 15 REVIEW

These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

**INFORMATION PRIVACY ACT 2000**

In keeping with the Information Privacy Act 2000, the OCEI has developed and implemented a privacy policy. A copy of this policy is available from the OCEI. It may also be viewed on [www.esv.vic.gov.au](http://www.esv.vic.gov.au).

All staff have been trained in the information privacy principles contained in the Information Privacy Act 2000 and in the OCEI's policy.

**COMMITTEES**

The following Committees have been established under Section 10 of the Electricity Safety Act 1998 to:

**NETWORK ASSET ADVISORY COMMITTEE**

Provide advice to the OCEI on the progress of the distribution businesses in the inspection and rectification of non-compliant overhead service lines, other overhead and underground network assets and the testing and inspection of earthing systems. It also advises on the development of innovative approaches to address regulation compliance in electricity safety management schemes.

**ELECTRICAL FIRE REVIEW COMMITTEE**

Review the current reporting of electricity-related fires by the fire authorities and determine revised reporting requirements.

**ELECTRICAL LICENSING AND REGISTRATION ADVISORY COMMITTEE**

Provide advice to the OCEI on the standard of qualifications, proficiency, training and experience and on legislation and regulation development for licensed electrical workers and registered electrical contractors.

**ELECTRICAL SAFETY COMMITTEE**

Provide advice to the OCEI on the setting of safety standards for work on or near high voltage electrical installations and to the electricity industry on high voltage electrical safety.

**EMERGENCY INCIDENT RESPONSE COMMITTEE**

Develop and implement improved processes for the reporting of electricity-related emergencies.

**LINEWORKER INSPECTION STANDARDS COMMITTEE**

Develop and implement relevant consistent inspection standards to be introduced.

**INDUSTRY SECTOR BASED COMMITTEE**

Develop and implement a system where appropriately qualified and trained lineworkers are registered with the OCEI.

**RURAL COMMITTEE**

Provide advice to the OCEI on issues affecting rural areas.

**SAFE WORKING ON ELECTRICAL INSTALLATIONS COMMITTEE**

Provide advice to the OCEI on safe working methods for electrical installations.

**URBAN REFERENCE GROUP COMMITTEE**

Provide advice to the OCEI on issues affecting urban areas.

**SAFETY MANAGEMENT SCHEME EXEMPTION COMMITTEE**

Provide guidelines to distribution companies regarding exemption applications.

The following Committees have been established under other sections of the Electricity Safety Act 1998 to:

**ELECTRIC LINE CLEARANCE CONSULTATIVE COMMITTEE**

Provide advice to the OCEI or the Minister on matters relating to the clearance of electric lines, inclusive of the preparation and maintenance of the Code of Practice for Electric Line Clearance (Vegetation) 1999 (established under Section 87).

**EQUIPMENT ADVISORY COMMITTEE**

Provide advice to the OCEI on safety standards for electrical equipment and the procedures for monitoring compliance with such standards (established under Section 50).

**VICTORIAN ELECTROLYSIS COMMITTEE**

Provide advice to the OCEI on any matter related to electrolysis and the regulations relating to cathodic protection and the mitigation of stray current corrosion. This includes the establishment and maintenance of standards for systems for cathodic protection and for the mitigation of stray current corrosion (established under Part 9).

**VICTORIAN INDUSTRY PARTICIPATION POLICY**

The OCEI has not entered into any contracts over \$3 million in metropolitan Melbourne or \$1 million in regional Victoria. Therefore, the Victorian Industry Participation Policy (VIPPP) does not apply.

**DISCLOSURE OF MAJOR CONTRACTS**

The OCEI has not entered into any contracts over \$10 million.

**BUILDING ACT 1993**

Not applicable as the OCEI does not own or control any Government buildings.

**ENERGY EFFICIENCY GOVERNMENT BUILDINGS POLICY**

In November 2001 the Victorian Government introduced the Energy Efficiency Government Buildings Policy. The Office of the Chief Electrical Inspector chose to participate in this program on a voluntary basis to demonstrate leadership and support of this important Government initiative.

This policy established two energy targets for Government operations to achieve by the financial year 2005/06. The first target requires a 15% reduction in building related energy use, and the second requires that 5% of all electricity purchased is sourced from Green Power. The 5% requirement was later raised to 10%.

OCEI has achieved the Green Power target and should achieve the 15% reduction in building related energy use by the target date of June 2006.

# DISCLOSURE INDEX

The annual report of the Office of the Chief Electrical Inspector is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Office of the Chief Electrical Inspector's compliance with statutory disclosure requirements.

Legislation	Requirement	Page
<b>MINISTERIAL DIRECTIONS</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22	Manner of establishment and relevant Minister	3
FRD 22	Objectives, functions, powers and duties	3
FRD 22	Nature and range of services provided	3
<b>MANAGEMENT AND STRUCTURE</b>		
FRD 22	Organisational structure	6
<b>FINANCIAL AND OTHER INFORMATION</b>		
FRD 22	Statement of workforce data and application of employment and conduct principles.	25
FRD 22	Summary of the financial results	25, 20
FRD 22	Significant changes in financial position	20
FRD 22	Operational and budgetary objectives and performance against objectives	7-25
FRD 22	Events subsequent to balance date	30
FRD 22	Details of consultancies over \$100,000	25
FRD 22	Details of consultancies under \$100,000	25
FRD 22	Application and operation of Freedom of Information Act 1982	40
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	49
FRD 22	Application and operation of Whistleblowers Protection Act 2001	41
FRD 22	Statement of availability of other information	40
FRD 22	Statement on national competition policy	40
FRD 22	Summary of environmental performance	49
FRD 22	Statement on occupational health and safety	25
FRD 12	Disclosure of major contracts	49
FRD 25	Victorian industry participation policy disclosures	49
FRD 24	Reporting of office-based environmental impacts	49
FRD 10	Disclosure index	50
<b>FINANCIAL STATEMENTS</b>		
Financial statements required under Part 7 of the Financial Management Act 1994		
SD 4.2(a)	Accrual basis of accounting	30
SD 4.2(a)	Compliance with Financial Management Act 1994, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views	30-32
SD 4.2(b)	Statement of financial performance	27
SD 4.2(b)	Statement of financial position	28
SD 4.2(b)	Statement of cash flows	29
SD 4.2(b)	Notes to the financial statements	30-36
SD 4.2(c)	Accountable officer's declaration	37
SD 4.2(d)	Rounding of amounts	31
SD 4.2(f)	Model financial report	30-32

Other disclosures in notes to the financial statements	Page
FRD 2 Contributed capital	35
FRD 17 Long service leave wage inflation and discount rates	34
FRD 21 Responsible person and executive officer disclosures	36
FRD 23 Superannuation liabilities and disclosure	36, 34
FRD 28 Accounting and reporting pronouncements	30-32
<b>LEGISLATION</b>	
Building Act 1993	49
Freedom of Information Act 1982	40
Information Privacy Act 2000	49
Victorian Industry Participation Policy Act 2003	49
Whistleblowers Protection Act 2001	41







**Office of the Chief Electrical Inspector**  
Level 3 | 4 Riverside Quay Southbank Victoria 3006  
Phone 03 9203 9700 Fax 03 9686 2197  
Email [info@esv.vic.gov.au](mailto:info@esv.vic.gov.au) Web [www.esv.vic.gov.au](http://www.esv.vic.gov.au)

