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Wednesday 15<sup>th</sup> November 2017

Chris Pattas

Thank you for the opportunity to provide feedback on the Ring Fencing waiver applications submitted to the Australian Energy Regulator from the 3 NSW Electricity Supply Distribution Networks (ESDNs).

## Introduction

As the owner / director of IAC Safety Services (IAC), a Registered Training Organisation (RTO 91031) operating under the national vocational education system. IAC has provided training and assessment services solely to the Electricity Supply Industry since 1996. We do not offer training and assessment services outside of the Electricity Supply Industry.

This submission is restricted only to waiver applications relating to contestable technical training and vocational training services required by Electricity Supply Industry workers in NSW. IAC offers no other comment on the waiver applications, other than training and assessment issues.

This feedback has been prepared after reviewing all 3 of the waiver applications and the Australian Energy Regulator Issues Paper - Remitted decisions for NSW/ACT 2014–19 electricity distribution determinations Operating Expenditure, October 2017. It has also been prepared in consultation with NSW Accredited Services Providers (ASPs) who are both accredited and authorised to perform contestable work on the NSW Electricity Supply Distribution networks.

A contestable works program exists under the NSW Electricity Supply Act 1995. This provides electricity customers in NSW with the right to choose suitably qualified and accredited persons to connect their premises to the Electricity Supply Distribution Networks, arrange for the supply of additional electricity from the distribution network than they are currently consuming, or to extend the distribution network to reach their premises.

To ensure that the electrical distribution network and connection to the distribution network remains reliable and safe, in NSW only Accredited Service Providers (ASPs) operating under the NSW ASP scheme administered by NSW Trade & Investment, may perform this work.

Employees and sub-contractors of ASPs must be suitably qualified and registered with the ASP scheme before seeking authorisation from the local ESDN to work on or near their electricity supply networks.

This submission addresses the waiver applications of Ausgrid, Essential Energy and Endeavour Energy in situ as the issues are the same in our view, and the basis of our objections apply to all 3 waiver applications. Specific extracts from their waiver applications have been included in this submission where considered appropriate and necessary.

## **Training and Assessment**

Training and assessment services support the need for national mobility of the Electricity Supply Industry (ESI) workforce and provides a standardised approach for workers to gain and maintain Authorisation to work on or near NSW Electrical Supply Industry Networks.

Most of the NSW ESDNs offer both initial and re-assessment National Competency based training and assessment courses, to eligible ASP / ESI workers who conduct contestable work. Typically these services currently include:

- Accredited Service Provider (ASP) Initial & Refresher Training; and
- Work Near Overhead Powerlines (WNP) Initial & Refresher Training; and
- Safe Work Practices Initial & Refresher Training.

An expansion of training and assessment services could potentially occur depending on the waiver application decisions by the Australian Energy Regulators, specifically training and assessment services provided by private RTOs into full Certificate III in ESI qualifications (this is addressed later in this submission under market certainty).

A distinction needs to be made in consideration of what is considered to be Contestable training and assessment services that can be sourced on the open market by a Registered Training Provider; as opposed to training and assessment services that impact or relate to the safety, reliability or security of the network and involve work on, or in relation to, parts of ESDN, which can only be performed by the ESDN and typically involves their internal staff and a very limited number of external personnel.

This distinction forms the basis of IAC's submission, specifically, a waiver should only be granted to the latter of the training and assessment services (virtually for internal staff and a limited number of external personnel). The application for a waiver for the former (Contestable training and assessment services) should be denied and a Ring Fence applied to the ESDN.

## Ring Fencing Purpose

IAC is of the understanding that the purpose of the Ring Fencing Guideline is to prevent regulated network businesses leveraging their monopoly business in a manner that distorts competition in other markets. The Guideline consists of several components:

- preventing network business from using regulated revenues to subsidise activities in unregulated markets
- ensuring network businesses treat their related businesses and third parties equally
- providing relevant information to all commercial parties on equal basis to support competitive market outcomes
- restricting access of other participants in contestable markets to the services provided by the network business, or providing access on less favourable terms to their related businesses.

It is IAC's position, based on this understanding that any waiver application from compliance with regards to Contestable training and assessment services be rejected. This position has been formed as a waiver would negate the purposes (as detailed above), for which Ring Fencing Guidelines have been established. Specifically:

## Assumptions

The waiver submissions from the ESDNs are in part based on the assumption that the ESDNs will be granted their waiver applications in full. One of these assumptions is that the Australian Energy Regulator will reclassify training and assessment services in the next regulatory control period and therefore a transitional waiver would allow the continuation of training and assessing services without interruption.

*The AER's Framework and Approach for NSW distributors has proposed to classify these new services as alternative control services for the 2019 – 2024 regulatory control period. Once the service classification takes effect at the commencement of the next regulatory control period, these services will no longer be required to be ring-fenced from the provision of direct control services. In the absence of this waiver these services would be required to be ring-fenced for a period of only 18 months to avoid the unnecessary implementation costs that would be incurred for a limited period of time.*

The reclassification of these services will have a detrimental effect on the market and only reinstate a market dominance previously held by the ESDNs. It has always been IAC's position that the provision of training and assessment services to NSW Electricity Supply Industry workers, both direct employees of the ESDNs and those working as authorised workers under the Accredited Services Provider's Contestable Works scheme has been restricted.

The lack of competition in NSW was such an issue, with new market entrants being denied recognition, ASPs being unable to get places in training and assessment services with the ESDNs as they were favouring their own employees over external services being offered (discrimination) that In December 2012, I actually wrote to the then NSW Minister for Resources and Energy to raise my concerns with regard to restricted trade practices in the NSW training and assessment area. See the extract below:

*The Hon. Chris Hartcher MP*

*December 19th, 2012*

*I am writing to you in an attempt to resolve a situation that my organisation is experiencing. In this letter I have outlined some background information, details of the issue that we are experiencing and a simple solution to the matter.*

*In summary, a Contestable Works program exists in the NSW Electricity Supply Industry but a contestable training market does not. The current arrangement is restricting trade in NSW, and in some cases means that individuals are finding it increasingly difficult to meet their legal obligations to comply with the NSW Electricity Supply Safety Act, 1995.*

[The full letter and the Minister's response are attached].

It is a fact that since obtaining approval to conduct training and assessment services in the NSW electricity market, IAC has evolved as one of the major providers of these services to workers in both the ASP market and more recently to the ESDNs themselves i.e. providing training and assessing services to both Ausgrid and Endeavour Energy employees.

Should a waiver to Contestable works training and assessing be granted a risk exists that private providers may withdraw from the market, returning training and assessment services back to the ESDN as the sole providers. Should these entities (or their shareholders) decide to withdraw from training based on the fact that it is not their core business, or that it is an uneconomical / profitable venture for the ESDN a vulnerable situation would be created.

Basic supply and demand dictates that fewer workers become a rarer commodity and therefore have the opportunity to charge NSW electricity customers higher fees for their services which is definitely not in the National Electricity Objective.

A further risk also exists that ASPs will not be able to meet their legal obligation to remain current with the Authorisation requirements of the NSW Electricity Supply Safety Act, 1995.

Additionally, it is prudently irresponsible and foolish to investment in any venture that is uncertain. With the waiver applications being sought for training and assessment services, uncertainty in the market will stifle private investment in the provision of training and assessment services and prevent new market entrants into the training and assessment mark.

Who would remain to provide these services?

### **Cross-subsidisation**

Preventing network business from using regulated revenues to subsidise activities in unregulated markets is a critical objective of the Guidelines.

The assertions made by the ESDNs that there is limited to no potential for cross subsidisation is rejected due to manner in which RTOs are registered, classified and structured with the Australian Skills Quality Authority (ASQA). Specifically, RTOs are either classified / registered as either Enterprise or Private RTOs.

Enterprise (internal training and assessment service provider) RTOs, which the ESDNs are classified, are subject to fewer compliance issues as they only engage students who are their own employees. This classification negates the costs associated with administrating external commercial and marketing obligations placed on Private RTOs.

Should the waivers be applied the ESDNs will need to subsidise their ventures into private RTO activities with the associated risk of cross subsidisation.

- ensuring network businesses treat their related businesses and third parties equally

IAC and other external RTOs, are subject to compulsory continuous professional development and audits imposed by each of the 3 NSW ESDNs.

It is a fact that for approximately 3 years now, IAC and other RTO providers for shorter periods have been operating under Memorandums of Understanding which specify the minimum obligations to which we must operate to comply and have our training and assessment services recognised.

This process involves all private RTOs training and assessment staff attending and passing compulsory sessions with each individual NSW ESDN separately; in addition each of the private RTOs must pass an audit conducted by each and every NSW ESDN individually to first gain accreditation and then to continue to have their training and assessment recognised by the ESDN.

The obligations placed on IAC from Ausgrid far exceed the obligations currently placed on their own training and assessment staff internally. A training and assessment question matrix can be supplied to support this claim, i.e. the questions that IAC is obligated to ask ASPs is nowhere near the questioning regime asked by Ausgrid for the same clientele.

The application of the same specifications to both external RTOs and the DNSP Affiliated Entity (AE), should the waiver not be granted would be necessary to ensure equality occurs.

Considering the fact that these administration functions are already established and being applied to external RTOs – there would be little to negligible expense to the ESDNs to apply these principles to the DNSP Affiliated Entity (AE).

- providing relevant information to all commercial parties on equal basis to support competitive market outcomes
- restricting access of other participants in contestable markets to the services provided by the network business, or providing access on less favourable terms to their related businesses.

An obligation exists under the Electricity Supply Act 1995, that the ESDN must keep accurate records of exactly how many workers are authorised to work on or near their electrical network. In addition, an obligation exists under the Vocational Educational Act to keep full and accurate records of students who have studied with the ESDN.

These records could be used to assist in the planning of upcoming contestable market courses and targeted training and assessment services to these workers who require reaccreditation of their authorisation; and / or for example if the ESDN intends to expand its network and will need an increase in competent staff to perform these duties. Without ring fencing principles applied, they may provide this information to their internal training and assessment unit to assist in preparation for the provision of these services. The events described would lead to anticompetitive behaviour by providing relevant information to their internal training divisions.

*Ausgrid claims that “In circumstances where a waiver is not granted, Ausgrid would be required to use a different brand to provide any of the services falling into the categories of UDS or Other Electricity Services (OES). It would be confusing for customers who have traditionally received these services from “Ausgrid”, to then receive it from another brand purely for the transitional period. It is submitted that there are no customer benefits of branding separation under these circumstances”.*

With both of the rich sources of records explained in the point above being captured, it could not be considered a reasonable argument that re-branding would be an issue. A simple letter or email to these students / customers to explain the situation would suffice. Also worth considering is the fact that the training and assessment services being discussed are undertaken on an annual basis, i.e. they are long term customers so it can safely be assumed, that this should not prove too confusing for them.

## **Discrimination**

Ausgrid’s waiver submission has been used as the example to put IAC’s case that discrimination is possible should ring fencing not be applied. It is believed that the same applies to all 3 of the ESDNs. Specifically that:

Location separation and branding discrimination against private RTO training providers may occur due to fact that Ausgrid provides Direct Control Services (DCS) i.e. Standard Control Services (SCS) and Alternative Control Services (ACS) operate from within their current Ausgrid Learning Centre. Should an ASP have to attend the Ausgrid Learning Centre for a DCS matter it could increase the likelihood of them booking into contestable training and assessment services whilst attending the facility.

A clever marketing strategist could time re-authorisation training expiration with bringing the ASP into the facility on a DCS matter and significantly increase the likelihood of tying this in with training and assessing services; or have training on level 1 and authorisations on level 2 in a floor separated. Further to this, Push Technology within the Digital Economy could specifically target these ASPs to book into training and assessment services whilst on the premises.

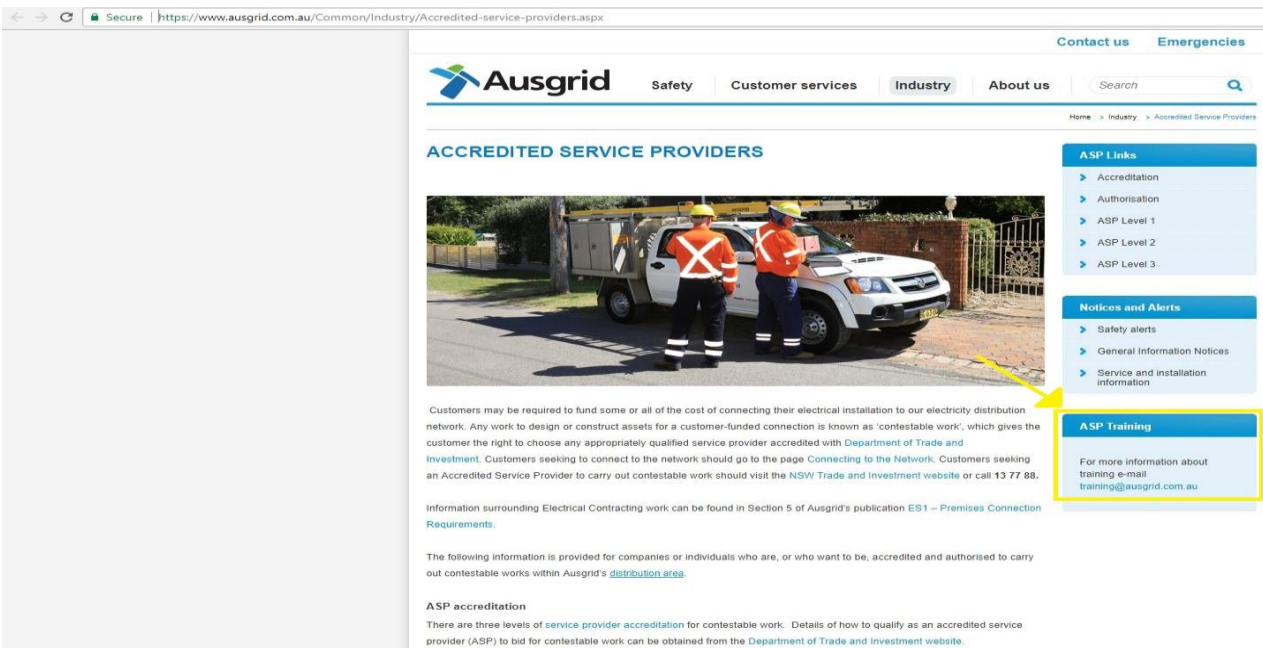
Granting of a waiver could give an 18 month pattern of behaviour to be established.



**Address:** 48-50 Holker St, Silverwater NSW 2128

*The Ausgrid Learning Centre is an AUD \$75 million Multiplex development for Ausgrid (formerly Energy Australia) in Silverwater. It is Australia's major learning centre for the largest group of apprentices in-training for a single company in New South Wales.*

**Source:** <https://www.multiplex.global/projects/ausgrid-learning-centre-silverwater-australia/>



**Source:** <https://www.ausgrid.com.au/Common/Industry/Accredited-service-providers.aspx>

The snap shot above from Ausgrid's website demonstrates how Ring Fencing principles would be important as an ASP not fully informed, may be of the belief that they are obligated to attend Ausgrid's training to achieve or maintain their authorisation. Similar to the campaigns run by the motor vehicle repair industry i.e. you must have your vehicle services here or your warranty is waived.

## Essential Energy's Waiver Application

The following issues were raised in Essential Energy's waiver submission. I have spoken to Essential Energy directly with regards to their waiver application and although some aspects are valid, regarding the potential vulnerability of the current ASPs to access certain training and assessment services, not all of their claims can be substantiated and correct.

*Essential Energy submits that there is no competitive market for training and assessment services in regional NSW and a waiver will protect customers requiring these services in specific locations.*

*Essential Energy has determined that continuing to offer the same (small) volume of services would not justify the cost to customers of creating and running a functionally separated business post 1 January 2018. They are concerned about the possibility of this decision leading to reduced services and increased costs to those customers in regional locations where there is limited or no existing competition.*

*The other identified providers of these training courses are all located in the Sydney basin or in the Hunter Valley of NSW and therefore those customers in most of regional NSW may not have ready access to these services at an affordable price should Essential Energy entirely withdraw from offering them.*

*Lack of access to affordable services – where only a single competitive provider exists and abuses their market power or where service providers may be located a significant distance away and mobilisation becomes a significant cost.*

*Lack of access to timely services – where providers advise customers that they are unable to perform the services requested in a timely manner and there is a lack of alternative suppliers.*

IAC refutes some of these concerns, on the following ground that IAC is already providing training and assessment services to customers, geographically located in some of the areas identified in Essential Energy's waiver submission. IAC has been sourced as the provider of choice due to our capacity and willingness to provide our services on site in regional NSW.

These services are often provided at our customer's premises, which in the spirit of co-operation they make available to their competitors (other ASPs) in the local area. The travel and accommodation costs associated with IAC attendance is shared amongst the ASPs and often works out cheaper than sending their students to attend outside of their local communities.

Some of the courses identified by Essential Energy are required by both local government and state government departments in regional NSW, which IAC provides without being exploitive in pricing; also the provision of these training and assessment services with the travel and accommodation cost recovery amongst several clients has also occurred without exploitation of our customers (which really is not in our business interest).

Inconsistencies do exist between locations nominated by Essential Energy and their current published training and assessment schedule.



It will never be possible to expect training and assessment services to be available to accommodate all regional areas of NSW. Some customers will always have the need to arrange travel to major region centres to attend training and assessment.

In early 2015, IAC purchased and modified an Elevated Work Platform to enable the provision of mobile training and assessment services throughout NSW. The modified item of plant is marketed as “MRTU” which is an abbreviation of Mobile Rescue Training Unit.

Modifications to MRTU include: the installation of a hydraulic ram which lifts an electricity pole to 6.5 metres above ground allowing for simulated pole top rescue, the bucket used for simulated EWP escape and rescues; improved storage for resuscitation manikins for CPR; and a test board to facilitate electrical testing units of competence.



Mobile Rescue Training Unit **MRTU**

**The MRTU represents a \$300,000.00 investment by IAC to enable the provision of training and assessment services across NSW.**

A return on investment on MRTU has been slower than expected due to difficulties in competing on an even playing field with Essential Energy. Essential Energy has been able, until now, to offer the services at a more attractive rate – possibly due to having their network business using regulated revenues to subsidise activities in unregulated market?

IAC does have the capacity to expand its resources both effectively and efficiently to provide training and assessment services to regional NSW. We welcome the opportunity to provide those services.

IAC is committed to working directly with Essential Energy to meet the ASPs training and assessment requirements; and alleviate the concerns expressed by Essential Energy.

Should you wish to discuss this matter please contact me directly on my mobile 0418 293 753.

Kind regards,

*D. Conyngham*

David Conyngham  
Managing Director

The Hon. Chris Hartcher MP

December 19<sup>th</sup>, 2012

I am writing to you in an attempt to resolve a situation that my organisation is experiencing. In this letter I have outlined some background information, details of the issue that we are experiencing and a simple solution to the matter.

In summary, a Contestable Works program exists in the NSW Electricity Supply Industry but a contestable training market does not. The current arrangement is restricting trade in NSW, and in some cases means that individuals are finding it increasingly difficult to meet their legal obligations to comply with the NSW Electricity Supply Safety Act, 1995.

### **Background Information**

Under the *NSW ELECTRICITY SUPPLY ACT 1995 - S31 Customer may choose supplier and contractor*. To choose the contractor the customer needs a suitably qualified person to do the work. To ensure the electricity distribution network and the connection to the network remain efficient, reliable and safe, only Level 2 Accredited Service Providers (ASPs) may do this work.

Only a Registered Training Organisation (RTO) under the National Vocational Education and Training Regulator Act 2011 may conduct the training and assessment ASPs are to receive. The Australian Skills Quality Authority regulates RTOs in NSW and some other states and territories.

Once issued with a 'Statement of Attainment' from the RTO, the ASP applicant must register with the NSW Dept. of Trade and Investment to become an *Accredited* Level 2 ASP, then present their Accreditation to each of the 3 Electricity Supply Network Distributors individually for Authorisation to work on their networks respectively.

The NSW Electricity Supply (Safety and Network Management Plan) Regulation 2002, amongst other things also requires that persons who perform work on or near the electrical supply network are qualified to carry out the relevant requirements of the plan, and within the previous 12 months have been deemed competent to perform escape, release, rescue and resuscitation and have adequate knowledge of the Electricity Supply Network Distributor's Electricity Safety Rules.

IAC Safety Service Pty Ltd (RTO 91031) has on its scope of registration the units of competency necessary to train and assess these level 2 ASPs and to conduct annual refresher training and assessment under the National Vocational Education and Training Act, 2011.

We also have a venue specifically designed to cater for this training and assessment. IAC Safety Services Pty Ltd, voluntarily subjected the venue the Eoz Pink Slip accreditation audit process and achieved High Risk training venue status. Recently a compliance officer from Ausgrid had also visited the centre and agreed that the centre had the capability to conduct this training and assessment.

As a RTO an obligation to engage industry in consultation exists. I commenced this process in March this year. At that time I released the training documents to all 3 Network Operators for industry consultation but despite repeated attempts to check progress, I literally heard nothing from Essential Energy. The documents passed through 6 sets of hands at Endeavour Energy and no official response to date has been received. A positive response was received from Ausgrid which also made the effort late last month of sending a representative to our training facility. Unfortunately Ausgrid has decided that it is unwilling to sign an MOA with IAC Safety Services Pty Ltd without the other 2 Electrical Supply Distribution Networks also signing.

There is a reluctance within all 3 Electricity Supply Distribution Networks to take ownership on this matter. Each of them claim that the signing of any agreement and the assessment of any training and assessment materials presented is the responsibility of the training, compliance and / or safety department and all issues regarding ASP bounce back and forth between these departments.

It is proving impossible to have the 3 Electrical Supply Distribution Networks sign off on the matter. Endeavour Energy has stated that it will comply with the decisions of the other 2 Electrical Supply Distribution Networks. No official response has been received from Essential Energy except that Mr. Nick Blache had stated that he would offer his support by speaking to the Dept. of Trade and Investment. Ausgrid has referred the matter to the ASP committee meeting with the NSW Dept. of Trade and Investment. However, the Dept. Trade and Investment stance is that it is not within their charter to determine.

## The Issues

1. With only one other training provider in the market (TAFE), ASPs obviously do not have a choice of supply. I receive many complaints from our existing ASP customers stating that they have to wait to enrol with TAFE and have to pay their costs as there is no actual price competition. In addition, the usual characteristics of a monopoly exist, specifically a lack of any possible improvements (including efficiency and effectiveness) and inequity. More sinister outcomes such as potential political abuse, influence and undue influence over government stakeholders may also be thriving in the current environment.

As numerous attempts to resolve this situation have been without success it is reasonable to question whether this is evidence of complacency from the persons whose duties include addressing this matter, or, if this is not the case, there may also be breaches of the Competition and Consumer Act 2010 – Act No. 51 of 1974 as amended. Specifically Exclusive dealing and third line forcing S47, Anti-Competitive Agreements S45, Misuse of Market Power S46 all of which are yet to be tested with a case to the ACCC.

2. A lack of ASPs training providers may also be compromising the Electricity Supply Distribution's obligation under the NSW *ELECTRICITY SUPPLY ACT 1995 - SECT 15 Right to connection to local distribution system for all customers*. A distribution network service provider to which an application is made is obliged to provide customer connection services to the applicant's premises under the customer connection contract relevant to the applicant, or to ensure that customer connection services are so provided. Further to this, it is a condition of a distribution network service provider's licence that the distribution network service provider must fulfil the obligations imposed on the distribution network service provider by this section.

3. The three Network Operators are all RTOs and therefore have an obligation under SNR 23 Certification, issuing and recognition of qualifications and statements of attainment. *Specifically SNR 23.2 The NVR RTO must recognise AQF and VET qualifications and VET statements of attainment issued by any other RTO.*

A week prior to the commencement of the first ASP Level 2 training and assessment, IAC Safety Services was informed that any Statement of Attainment issued would not be accepted the Electricity Distribution Network Supplier until an MOA is signed by all 3 Electricity Distribution Network Operators. Denying legitimacy based on these grounds means any Statement of Attainment issued by IAC Safety Services Pty Ltd constitutes a breach of the NVR. In fact, recently I had to refund monies to clients who were legitimately booked into training. This situation alone had caused harm to my company financially and damage to my reputation within the industry.

In addition, IAC Safety Services Pty Ltd has commercial arrangements on hold until this matter is resolved. Specifically we are waiting to sign an MOA with the National Electrical Contactors Association (NECA NSW) which cannot occur until the primary MOA is signed. We also have ASPs in regional NSW waiting for us to provide services to them. Therefore, increasing delays in resolving this matter are not only further harming IAC Safety Services Pty Ltd legitimate business operations, it is negatively affecting other small businesses and the citizens of NSW.

## The Solution

I have corresponded with the current Electricity Network Operators and have raised the matter with the Dept. of Trade and Investment, which can only offer the explanation that no one else has applied to enter the market other than TAFE and they do not know how to proceed. One Electricity Distribution Network Operator compliance officer actually stated to me that *'...we have a perfectly good system at the moment why would we change?'*

I completely reject this position, as an MOA is currently in place with TAFE, which was only signed recently. There should be no issue with signing a replicated MOA with IAC Safety Services Pty Ltd. As a matter of fact, I drafted and presented an MOA to the Electrical Distribution Network Operators immediately after they claimed that they could not find a copy of the existing MOA, but this idea was rejected.

It is purely and simply bureaucracy (and middle management) preventing any advancement on this matter which is unacceptable.

Any advice or influence that your office could provide will be appreciated. As stated, the issue is not that they are unable to proceed, as a precedent has been set. It is more the fact that middle management are unwilling to act.

Should you wish to discuss this matter further, I can be contacted directly on 0418 293 753.



David Conyngham  
Managing Director



**Chris Hartcher MP**  
Minister for Resources and Energy  
Special Minister of State and  
Minister for the Central Coast

V13/1679

Mr David Conyngham  
Managing Director  
IAC Safety Services  
PO Box 32  
ETTALONG BEACH NSW 2257

Dear Mr Conyngham

Thank you again for your letter of 19 December 2012 concerning the accredited service provider (ASP) scheme for electricity and issues around the provision of training of Level 2 accreditation. I am writing to provide you with an update on work being undertaken to address some of these issues and to give you an opportunity to provide formal comment on a possible way forward.

I am advised that NSW Trade & investment (the Department) has convened a series of meetings over recent months with representatives of the NSW electricity distributors, as well as yourself and the Hunter Institute (TAFE), to discuss options to allow entry into this area of training services by new private providers.

These discussions have culminated in a draft proposal for changes to the training requirements for Level 2 ASPs. I have enclosed a copy of the draft proposal with this letter and would welcome your comments in response.

The key benefit of this proposal appears to be that it ensures this training is based on nationally agreed 'units of competency' for the electricity distribution industry. I am advised that these national units cover the same core skills for Level 2 ASPs as the current training requirements but that the national units provide 'best practice', especially in relation to safety.

Importantly for prospective providers of training, this model would mean that a training provider could meet all its accreditation requirements through a single national regulatory body (the Australian Skills Quality Authority). This would provide a clear pathway for new entrants and remove the role of the distributors in endorsing training activities undertaken by private entities.

As you may be aware, the proposal relies on changes to the ASP scheme rules, approved under the *Electricity Supply Act 1995*, which would ensure that the Department, ASPs, distributors and training providers recognise training of any individual which meets the requirements of the national units of competency.

To minimise costs and disruption for the ASP industry, the proposal includes a 'grandfathering' of training already held by Level 2 ASP personnel. This would mean that the new training arrangements would apply only to those persons seeking training after a specified date. Training completed under the current arrangements would continue to be recognised by ASP scheme and the electricity distributors.

It would be appreciated if IAC Safety Services could provide any comments on the draft proposal no later than 28 days after the receipt of this letter. To assist, would you please address any comments to Mr Jim Wellsmore, Manager Programs, Division of Resources & Energy, NSW Trade & Investment. Mr Wellsmore can be contacted by email at [jim.wellsmore@industry.nsw.gov.au](mailto:jim.wellsmore@industry.nsw.gov.au) or by telephone on (02) 8281 7479

Yours sincerely



7-3-13

**Chris Hartcher MP**

Encl.



**Chris Hartcher MP**  
Minister for Resources and Energy  
Special Minister of State and  
Minister for the Central Coast

MF13/1391

Mr David Conyngham  
Managing Director  
IAC Safety Services  
PO Box 32  
ETTALONG BEACH NSW 2257

Dear Mr Conyngham

Thank you for your letter of 19 December 2012 concerning the intent of IAC Safety Services to enter the market for training of Level 2 accredited service providers (ASPs) in NSW.

I am pleased to state that I support the entry of new providers of training for the ASP industry. This is especially the case as I understand your proposal relates to the training of Level 2 ASPs, a section of the industry that provides the majority of contestable services to NSW customers. I believe this will strengthen the market for contestable connection services in electricity to the benefit of ASPs, customers and the electricity distributors.

I am also pleased to tell you that the distributors have advised me that they support the entry of IAC Safety Services and other prospective providers into the ASP training market, subject to finalisation of a number of matters.

I note that NSW Trade & Investment has now convened a series of meetings with key stakeholders to discuss a way forward. I am advised that IAC Safety Services has been participating in these discussions.

I am advised further that these meetings have turned to issues such as integrating current national units of competency for the electricity supply industry into future training requirements for Level 2 ASPs. I support this approach as it should provide a clearer pathway for entry into this market for IAC Safety Services and any other prospective training provider. This approach also has the advantage that it does not rely on the distributors being responsible for approving the content of training courses. I am confident that this will promote better outcomes in quality and safety across the ASP industry and I look forward to a final proposal being brought forward.

In addition, the distributors have advised me that they intend to hold separate discussions with IAC Safety Services in relation to its proposal to provide 'regulatory' training to Level 2 ASPs covering matters such as pole top rescue, CPR and electrical safety rules. I understand that these discussions will focus on the steps

required to ensure the training offered by IAC Safety Services will meet the needs of the distributors in relation to training in these areas.

I note your own efforts in pursuing the issue of new entrants to the market for ASP training. I hope you are finding the current wider discussions amongst stakeholders to be more productive. I believe this process will result in both a more open market for training services for ASPs and a stronger industry in contestable connection services.

Thank you for bringing this matter to my attention.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Chris Hartcher".

**Chris Hartcher MP**

7.3.13