

Accredited Service Provider Scheme Review

Position paper



Planning,
Industry &
Environment

How to make a submission

The NSW Department of Planning, Industry and Environment is seeking feedback on the *Accredited Service Provider Scheme Review: Position Paper*.

Stakeholders are requested to provide feedback on the following:

- Where there is a strong preference for options other than those categorised as feasible, noting clear reasons for that preference
- Overall, which options are most important to progress.

A separate paper *Accredited Service Provider Scheme Review: Options Summary* has been prepared to support easy feedback, although submissions can be in any format.

Send submissions by email to: asp.consultation@planning.nsw.gov.au

Submissions must be received by 11:59 pm 28 January 2022.

Submissions may be made publicly available. If you do not want your personal details released, please indicate this clearly in your submission.

More information on the review is available at <https://energy.nsw.gov.au/asp-scheme-review>

DISCLAIMER

This report was prepared by The Insight Partnership in good faith exercising all due care and attention, but no representation or warranty, express or implied, is made as to the relevance, accuracy, completeness or fitness for purpose of this document in respect of any particular user's circumstances. Users of this document should satisfy themselves concerning its application to, and where necessary seek expert advice in respect of, their situation. The views expressed within are not necessarily the views of the Department of Planning, Industry and Environment (DPIE) and may not represent DPIE policy.

© Copyright State of NSW and Department of Planning, Industry and Environment

December 2021

We would like to acknowledge the depth and specificity of some of the material provided in the submissions on the Issues Paper. We have tried to capture the intent of this material in the Position Paper, but it has necessarily summarised views. Nevertheless, there is considerable detail that has been logged and captured in a way that will feed into any detailed development of responses following this Review.

Maura Boland, Director
Greg Davies, Director
Lacy Barron, Associate Manager
Terry Miller, Associate Technical Advisor
www.insightpartnership.com.au

Contents

Executive Summary	4
1 About the review	9
1.1 The ASP Scheme	9
1.2 Scope of the Review	9
1.3 Review to date.....	10
1.4 The role of the Position Paper	10
1.5 Remaining steps	11
1.6 Issues that are out of scope	11
2 Customer service	14
2.1 Overview.....	14
2.2 Outcomes for consumers	14
2.3 Improving Scheme administration	15
2.4 Applicant and participant-focused education	19
3 Scope of the ASP Scheme	22
3.1 Overview.....	22
3.2 Continued need for the Scheme and Scheme administration	22
3.3 Scope of works being regulated by the Scheme	25
3.4 The relationship between accredited organisations and registered employees.....	34
3.5 A focus on safety	37
3.6 Metering.....	40
4 Regulatory framework.....	43
4.1 Overview.....	43
4.2 Educate.....	44
4.3 Enable—accredit, register	45
4.4 Monitor—ongoing competence, who provides information, new audit process.....	50
4.5 Act—regrading, escalating responses, enforcement and appeals.....	54
4.6 Influence.....	58
4.7 ASP Level 3s.....	60
5 Ongoing governance of the regulatory framework.....	67
5.1 Overview.....	67
5.2 Regular review and update	67
5.3 Advisory arrangements	69
5.4 Fees.....	71

5.5	Accountability.....	72
6	Next steps.....	73
6.1	Which approaches are most important?	73
6.2	Envisioning the end change package.....	74
6.3	Stakeholder feedback on the Position Paper	74
	Appendix 1. Terms of Reference	75
	Appendix 2. Process for consultation on the Review Issues Paper.....	76
	Appendix 3. Principles of sound regulatory design	78
	Appendix 4. Where the Issues Papers questions are addressed in this report.....	79
	Appendix 5. Acronyms.....	81
	Key definitions.....	81
	Scheme structure: Levels and Classes of Accreditation	82

Executive Summary

The Review

The Accredited Service Provider (ASP) Scheme is being reviewed to examine the continued need for the Scheme and to improve arrangements for contestable energy connection services. The Scheme accredits organisations or individuals (Accredited Service Providers, or ASPs) to perform contestable work on the NSW electricity distribution network, giving consumers who need to connect to the network access to a competent and competitive market of service providers.

The NSW Department of Planning, Industry and Environment is seeking feedback on the Accredited Service Provider Scheme Review: Position Paper. This is the second public consultation stage of the Review.

The Review released an Issues Paper in June 2021 and submissions closed in late August 2021. The submissions demonstrated overwhelmingly strong support for continuation of the Scheme. Submissions argued that the Scheme had improved outcomes in all intended areas, that is in the delivery of contestable services through a competent industry, in a safe manner and offering ease of consumer access. However, there was also strong support for reform to improve the Scheme's operation and impact. This Position Paper explores what the reform might look like. The Position Paper is long because it reflects the breadth and depth of material offered to the Review through the Issues Paper consultation.

The purpose of this Position Paper is to:

- Articulate the issues expressed by those making submissions or participating in focus groups
- Set out the key options to take forward individual issues within the scope of the Review, including a high-level analysis of their benefit and feasibility
- Test the feasibility of the options with industry
- Foreshadow a potential suite of recommendations in the next phase.

The Paper is based on submissions from 42 organisations including the three Distribution Network Service Providers (DNSPs), 28 ASPs, NECA, and 10 other stakeholder groups; focus groups with ASP L1s, L2s, and L3s, NECA, and the three DNSPs; as well as discussions with key stakeholders within government and further review of best practice approaches. The consultations offered many, often quite detailed proposals for how to address issues. It has not been possible to include or respond to all the detail in this Position Paper, but the detail has been sorted and captured, and will form input into future development work.

Structure of the Position Paper

The Position Paper is structured to address four key domains:

- **Customer service**—the extent to which the Scheme is delivering improved outcomes for consumers, improved Scheme administration, and options for improving provision of information to participants
- **Scope of the ASP Scheme**—the scope of works being regulated, including classes and terminology, the relationship between accredited organisations and registered employees, safety and metering
- **Regulatory framework**—the design and operation of the framework including education of participants and consumers, enabling accreditation and/or registration, monitoring the extent to which participants meet expectations, acting in response to non-competence or non-compliances to preserve the integrity of the Scheme, and influencing and working with others to ensure an alignment of effort, and a closer look at ASP L3 providers

- **Ongoing governance**—how to keep the Scheme current, including which elements should be reviewed and how often, the advisory arrangements required to bring necessary expertise to updates, funding and fees, and accountability mechanisms.

For each of the key issues in the four domains, the paper presents options for changeⁱ. The analysis of options has been based both on the consultation on the Issues Paper and on reference to good regulatory practice. The analysis highlights the extent to which the proposed options appear to be feasible or infeasible. For example, there are times when quite detailed and complicated proposals may address one need, but create a more administratively complicated and expensive solution. There is a clear position in the NSW Government to minimise regulatory burden, so in these cases we have suggested that the detail may not be needed.

The final recommendations will treat the proposals as a package, weighing up the indicative cost, effort and return of the proposals, particularly as they need to be sequenced or implemented in parallel. The feedback on this Position Paper will inform that package.

Envisioning the end change package

The Review has not yet firmed its view on the final recommendations. However, the final recommendations will aim to bring together a cohesive package of changes that:

- Minimise regulatory red tape and ensure regulatory effort is used only as necessary
- Weigh up indicative cost, effort and benefit of change proposals
- Considers the way change proposals might be sequenced.

The following straw model illustrates what the final package might incorporate, depending on feedback from consultation on this Position Paper, resource availability and other factors.

Stakeholders may wish to provide feedback on this model and—if wishing to propose alternatives—a rationale for changes.

Stage 1: Lay the groundwork for ongoing advice and funding

This stage would enable all design and update work to flow more smoothly.

Potential action	Rationale
Set up an advisory committee	Assists in the establishment and design of following activities. As the ongoing committee requires time to establish, consider creating an interim forum immediately. Then seek approval for a full advisory committee.
Review and develop a sound system to set fees at a level that cover the cost of full Scheme operation	Fees have not been adjusted in some years; as costs have increased there has been no commensurate change in fees. As a cost-recovery scheme, the fees are the major mechanism for funding future activities. The Department would need to ensure changes improved efficiency, and that future fee changes are underpinned by a transparent policy. It may be possible to use existing funds to cover more activity but regular review of fees is reasonable. The

ⁱ Note that DPIE has already taken initial responses to improve customer services, as set out in section 2.3.

Potential action	Rationale
	Department would also need to secure additional resources for the reform work.

Stage 2: Redesign the Rules

A wide range of changes are considered high priority by stakeholders. The most efficient way to tackle the changes is to do a major redesign of the Rules concurrently, so the intersections can be considered. This is a major piece of work that would be tested through the advisory committee. The redesign would cover the following elements.

Potential action	Rationale
Rationalise existing work categories	The Rules are the key document that guides how DPIE and Scheme participants work. However, the Rules are outdated and their fitness for purpose is limited.
Review and add the most supported types of work	The Rules are silent on some fundamental issues, such as how a fit and proper person is assessed.
Amend/update training requirements	Amending the Rules in these areas has significant benefits including improving access to new work and streamlining competency assessments.
Introduce provisional category for ASP L3	The advisory body would offer guidance on most of these elements, based on DPIE design work.
Introduce the requirement for a principal officer to demonstrate competence. Strengthen the assessment of fit and proper person. Remove the requirement for individual ASPs to notify DPIE of their registered staff.	Note that registration of individuals would continue, and that ASPs would become responsible for ensuring all staff have individual registration but would not need to advise the Department of individual staff.
Commence development of ASP L3 pathways	ASP L3 pathways work is likely to continue for some time and require partnerships with others.
Define requirements for how the ongoing competence of ASP L1, L2 and L3 work is assessed and its relationship to grading.	A key factor in ensuring the competence of ASPs, by shifting the focus from qualifications to ongoing assessment of work competency.
Review and update terminology if considered important.	Of relatively low importance, but easier to do in conjunction with the above rather than later.

Stage 3: Improved customer service through improved Scheme administration

Potential action	Rationale
Design and implement a new IT system. The actual implementation may commence earlier, and would occur in tranches, with some updates after later change stages.	The major design features will have been resolved in Stage 2. Delivers visible and significant benefit to Scheme participants.

Potential action	Rationale
Includes a searchable database for consumers	Requires some early thinking about what the enforcement framework might look like so there is adequate provision for information design.
Improve Scheme transparency and promote performance to consumers	Addresses a gap in consumer access to information.

Stage 4: Strengthen remaining safety requirements

Potential action	Rationale
Build on the earlier Rules update by introducing a strengthened package of safety requirements, specifically: <ul style="list-style-type: none"> ▪ Introducing annual self-assessments ▪ Requiring 3-year independent audits ▪ Introduce a DPIE auditing program. 	<p>Safety is a core aspect of the work and requires strengthening.</p> <p>The suite of proposals requires some time to work through, which is why it is not proposed to be introduced earlier.</p> <p>In addition, Stage 2: Redesign the Rules would have addressed some safety requirements.</p>

Stage 5: Develop the remainder of the compliance and enforcement framework

Potential action	Rationale
Harmonise information from DNSPs	<p>DNSPs are a key source of information for grading, classes, compliance and enforcement activity, including safety.</p> <p>Ideally this would occur earlier, but DNSPs would start discussions about how to harmonise as soon as possible, and information provision would be strengthened at this point. Some preliminary work will have been done in competence assessment in Stage 2.</p>
Develop the Framework including: <ul style="list-style-type: none"> ▪ An escalating series of interventions that are proportionate to the issue/s, spelled out clearly in a regulatory policy ▪ A monitoring and investigation protocol 	<p>A compliance and enforcement framework underpins credible regulatory activity and gives confidence that ASPs are competent.</p> <p>Weeds out poor/dangerous performers.</p> <p>Provides transparency for participants about what would happen in the event of doing the wrong thing.</p>
Define how the audit program (Stage 4) intersects with the compliance and enforcement framework	This activity deepens and improves the effectiveness of compliance and enforcement; identifies levels of safety concerns; and is visible to participants so acts as a deterrent.

	The design of the audit program is covered in Stage 4, but the connections are worked out here.
--	---

Stage 6. Work collaboratively to influence broader activity

Potential action	Rationale
Collaborative work with SafeWork, Fair Trading and IPART on matters of mutual interest	Strategically important to have alignment between relevant regulatory interests. May lead to information exchange and reduced regulatory burden for participants. Could commence earlier, dependent on resources.
Work with RTOs, universities and others to foster the development of training options, particularly for ASP L3s.	Changed operations arising from the Review actions will give DPIE clear insight into industry needs. Strengthening the connections between training providers and the industry will improve competence, safety and services to consumers.

Stakeholder feedback

Stakeholders are requested to provide feedback on the following:

- Where there is a strong preference for options other than those categorised as feasible, noting clear reasons for that preference
- Overall, which options are most important to progress.

The feedback from this consultation will shape the final recommendations.

A separate paper to assist feedback

A separate paper, *Accredited Service Provider Scheme Review: Options summary* has been designed to support stakeholder feedback. Where this Position Paper sets out many options arising from stakeholder consultation to be considered for the future of the Scheme, the Options Summary has selected the options assessed as being feasible. The Options Summary provides space for you to identify:

- The relative importance for you of each of the feasible options
- Alternative options if your preferred option is not included. If you want to offer an alternative option, you will need to include a detailed justification with evidence as to why your proposed approach is better than those considered feasible.

You may also choose to comment on the straw model provided in this Executive Summary and—if wishing to propose alternatives—a rationale for changes.

All submissions to the Review should be received by 11:59 pm 28 January 2022 at asp.consultation@planning.nsw.gov.au.

1 About the review

1.1 The ASP Scheme

The ASP Scheme was introduced in 1995 to provide consumers who need to connect to the distribution network with access to a competent and competitive market of service providers.

Through the Scheme, these contestable services must meet the following objectives:

- Contestability of the works needed to connect consumers to the network assets, supporting an ongoing market that provides those works
- The competence of organisations and individual workers who provide those services, which is essential for effective and safe works
- Access by consumers to timely and competitively priced services that meet needs
- Safety in works, thereby protecting people (consumers and workers), the consumer and network assets, and the reliability of the connection.

The Scheme is structured on the assumption that there is a ready supply of appropriately skilled and qualified organisations and individuals. Broader market stewardship activities like mentoring and skilling up in general business systems sit outside the Scheme.

The Scheme creates three groupings of providers: construction services (Level 1, or ASP L1); connection services (Level 2, or ASP L2) and design services (Level 3, or ASP L3). The [Issues Paper](#)ⁱⁱ contains a detailed description of the Scheme, its requirements, its history, and arrangements in other jurisdictions.

1.2 Scope of the Review

The Terms of Reference for the Review (Appendix 1) required that the Scheme considered three main questions:

- Does the current Scheme address its intended purpose of supporting contestable services?
- To what extent does the Scheme deliver against the objectives of competence, consumer access and safety?
- What arrangements are needed to ensure the Scheme administration meets contemporary customer service expectations and is responsive to industry change, technological advancements and training updates into the future?

The Review is based on extensive feedback from industry and stakeholders, a more detailed exploration of the Scheme itself and the extent to which it meets the principles of sound regulatory design (Appendix 3) and a consideration of the operating environment of the Scheme.

A key issue emerging from the Review to date is the Scheme boundaries. For some Scheme participants and stakeholders, there is a blurring of the role of accreditation, as administered through the ASP Scheme, and authorisation, as administered by DNSPs. This is reflected in several issues within this Position Paper.

For clarity:

- The ASP Scheme is focused on recognising the competences required to participate in connections work, and the way that is reflected in the body of work of the ASP or registered employee.
- Authorisation, as practiced by DNSPs, equips ASPs and registered employees to safely work on specific network assets. This typically involves training in safety and operating procedures. DNSPs are also required to inspect works by ASPs and registered employees, and may suspend registered

ⁱⁱ <https://www.energy.nsw.gov.au/sites/default/files/2021-06/accredited-service-providers-Scheme-issues-paper-2021.pdf>.

employees or ASPs where there are concerns about safety performance and compliance to DNSP requirements.

1.3 Review to date

The current Review of the Scheme commenced in the first half of 2021. To date, the Review has completed the following activities:

- An initial scoping consultation with key industry stakeholders, representing DNSPs, ASPs and end consumers
- Review of formal documentation that dictates the Scheme, including legislation, regulations and rules
- Review of documented issues raised by stakeholders in recent years regarding the Scheme
- Review of current administrative approaches
- Release of an Issues Paper
- Online forums held with ASP L1s, ASP L2s (two forums) and ASP L3s, NECA, each DNSP and two metering providers
- Review and analysis of 42 submissionsⁱⁱⁱ made through the consultation process.

A more complete description of activities is in Appendix 2.

1.4 The role of the Position Paper

This Position Paper has been built from the submissions, forums, roundtables and interviews that comprised consultation on the Issues Paper, in addition to the material surfaced in the initial scoping. The aim of the Position Paper is to document the range of proposals made to strengthen the Scheme and to do an initial exploration of the role each might play.

The Issues Paper asked a series of questions, to which submissions responded. This Position Paper has taken those questions/responses and restructured them into four big issues:

- **The ways in which customer service might be improved**, predominantly as focused on Scheme participants, but also for end consumers
- **The scope of the Scheme**, in terms of issues like the works being regulated, safety and so on
- **The regulatory framework itself**, encompassing education, enabling activities like accreditation and registration to monitoring ongoing competence, how information is collected, grading and other regulatory responses and influencing activities. There is a close look at ASP L3s in this section
- **Ongoing governance of the regulatory framework**, which looks at the need for regular review and update, advisory arrangements, fees and other accountability mechanisms.

The Position Paper aims to reflect back the major issues from the Review and what might be the pathways forward. For each section, there is:

- An overview
- A summary of the positions from submissions and consultation forums
- Options that might address the positions
- A preliminary analysis of the options, as feasible, somewhat feasible, infeasible and for consideration.

ⁱⁱⁱ Appendix 2 lists those who made a submission

The options in this Position Paper are predominantly based on stakeholder feedback during the consultation phase. They have been analysed on the basis of technical, regulatory and administrative feasibility. That is, the options that are:

- **Feasible** appear to be technically achievable, aligned with the regulatory intent and administratively possible
- **Somewhat feasible** have elements that are likely to work, but that may have higher degrees of relative complexity or cost
- **Infeasible** are outside the regulatory responsibility of DPIE or are likely to impose an excessive regulatory burden, be overly costly or administratively complex
- **For consideration** generally have merit and could be implemented singly or as a package.

Assessing the options

As well as feasibility, each of the options also has an indicative assessment of cost (\$, \$\$, \$\$\$) and time (♦, ♦♦, ♦♦♦), as well as a description of the dependencies—that is, the extent to which it is dependent on other actions being completed first or alongside it to be able to be implemented—with low dependency options able to be implemented sooner than higher dependency options.

Note that many options do not stand alone, but rather are dependent on other priorities being actioned in order to ensure efficient cost and schedule implementation.

Stakeholders are requested to provide feedback:

Stakeholders are requested to provide feedback on the following:

- Where there is a strong preference for options other than those categorised as feasible, noting clear reasons for that preference
- Overall, which options are most important to progress.

1.5 Remaining steps

This Position Paper discusses individual issues. Ultimately, the Review will consider the design of the Scheme as a whole, rather than on a proposal-by-proposal basis. A critical consideration is the NSW Government intent to minimise regulatory red tape and ensure regulatory activity is used only as necessary. The final recommendations will weigh up the indicative cost, effort and return of change proposals and the way they might be sequenced in implementation.

The specificity of detail in many submissions has made it clear that there will be a need for detailed design development for a range of changes. The submissions have provided a rich source of proposals and will inform not just this Position Paper but will also be used in design development post-Review.

The ultimate aim is to strengthen the Scheme, so it is fit for purpose now and into the future, and is able to be delivered sustainably in terms of its resourcing and the requirements of the industry.

1.6 Issues that are out of scope

Submissions and consultations raised a range of issues that are out of scope of the review and are therefore not further explored in this Paper:

- *Managing the process of design development and approval*—stakeholders outlined concerns with the timeliness of design processes and the quality of information or advice. The Scheme Rules do not extend to requirements for managing design development and approval. Some of the issues discussed in this paper will have a bearing on these issues, for example gradings for ASP L3s. There may be benefit in the sector collectively developing an approach to improving design development. The Department is also aware of the DNSPs seeking to improve their internal processes for managing design development.
- *Managing disputes*—some stakeholders called for the Scheme to create a process for managing disputes between ASPs and DNSPs, particularly around decisions to suspend individuals or companies for under performance, for managing outages and for managing design processes. The terms of the relationship between an ASP and a DNSP are set out in the authorisation agreement between the two parties which is outside of the scope of the Scheme rules. Submissions from ASPs observe that current arrangements do not sufficiently cover the obligations of DNSPs in administering the Scheme, and that there are no guidelines—mandatory or voluntary—covering DNSPs. The now-defunct Code of Practice for Contestable Works appeared to fill this gap in the past.
- *Management of authorisation*—the DNSPs have the power to set their own rules around authorisation, as they are responsible for the safe operation of their respective portions of the network. This review therefore does not consider issues around the management of authorisation other than the interface with the Scheme and the potential for improvements in that interface.
- *Ringfencing of ASP works by DNSPs*—many stakeholders raised concerns about the ASP businesses of DNSPs receiving favourable treatment. This is an issue that is regulated by the Australian Energy Regulator, which has specific requirements around ringfencing to ensure that there is no difference in treatment. The AER ringfencing rules are currently under review.
- *Managing the delivery of work*—there is a boundary between the interests of the Department in managing compliance and the interests of the DNSPs in managing the delivery of work. The Department is not responsible for ensuring that all work is completed to the satisfaction of the DNSPs. The Department is interested in when a failure to complete work safely or competently indicates that a provider is not complying with the requirements for accreditation or registration.
- *DNSP operations*—stakeholders expressed concerns about issues that relate to how the DNSPs operate, including: the policies, processes, and expertise of DNSPs; establishing competencies for certifying officers; improved access to GIS and network information for ASP L3s. These are outside of the scope of this Review, but could possibly also be addressed through reintroduction of an updated Code of Practice.

These issues have been referred to DPIE for consideration outside this Review.

The relationship between the ASP Scheme and authorisation by DNSPs

The role of the ASP Scheme is to ensure that works that connect consumers to network assets are contestable, enabling a market of competent organisations and individuals to compete for work, assisting in consumer access to services and ensuring safety for consumers, workers and network assets as well as the reliability of the network connection.

There is an important distinction to make between the ASP Scheme and authorisation by DNSPs.

The Scheme has a close interface with DNSPs, which then authorise accredited companies and registered employees to work on their specific network.

Authorisation involves training participants in the appropriate work practices for each network location, inspecting works to ensure compliance and taking action when works do not comply. That is, the onus is on DNSPs for making sure that accredited organisations and registered employees understand everything they need to know about the network.

Nevertheless, a pattern of underperformance might indicate a lack of competence, which in turn could trigger a response, which is the Scheme's responsibility.

Despite a range of submissions requesting a greater involvement by the Scheme in authorisation activities, the Scheme does not train or otherwise equip companies to work and does not manage performance.

2 Customer service

2.1 Overview

This section addresses the question in the Terms of Reference that the review consider ‘the arrangements needed to ensure the Scheme administration meets contemporary customer service expectations’.

This section covers:

- The extent to which the Scheme is delivering improved outcomes for consumers
- Scope for improving Scheme administration
- Options for improving the provision of information to Scheme applicants and participants.

2.2 Outcomes for consumers

In summary

- The input the Review has received from end consumers, although limited, indicates that the Scheme is likely achieving its outcome of improved services.
- Users and Scheme participants suggested potential improvements that would further benefit consumers, supporting the arguments for change that have been explored through this paper.

A key Scheme purpose is to optimise the delivery of services for consumers in terms of time and cost by enabling a competitive market for contestable services. At its core, the safety and market regulatory frameworks aim to support a contestable service market. This consideration is important when shaping the way the Scheme operates; for example, unnecessary regulatory burden will result in higher costs for ASPs, and—in turn—for consumers. The NSW Government imperative is to minimise regulatory burden. Efficiency of regulation is considered both in this section and also in the analysis of all options proposed.

The review has received only limited direct input from end consumers. This is in part because they may not be aware of the work delivered by ASPs, as it is often contained in other work packages or the ASP is engaged by another party (a developer rather than a home owner). The Review is continuing to seek direct input from end users.

Of the submissions received, the Housing Industry Association acts as a representative of property developers who engage ASPs particularly for works on new urban developments and, hence, end consumers. The HIA was broadly positive about the Scheme, saying:

“[our] members and the construction industry strongly benefit from a clear and consistent framework governing the provision of energy services in NSW. Where services are considered contestable the industry is well serviced and work progresses without major issue or delays. Where critical but minor services are not captured as contestable, the result is inconsistency, confusion and significant delays in service.”

This position was supported by an interview with a representative from the Urban Development Institute of Australia (UDIA), which also represents developers.

The review received two submissions from local government specifically in relation to vegetation management (LG NSW and Sutherland Council). These submissions noted that a trial to use ASPs to manage vegetation had been very successful, delivering improved service, immediate response for urgent works, reduced red tape, better ability to scope future works and an equivalent cost. These

submissions strongly supported expanding the scope of the Scheme to include vegetation management (discussed in section 3.3).

Finally, comments from ASP and DNSPs in submissions and forums suggested that consumers would benefit from improvements to Scheme design and administration (many discussed elsewhere in this paper) including:

- Improving the competence and quality of ASPs through improving the grading of ASPs and implementing effective sanctions of incompetent or unsafe work (sections 4.5.1 and 4.5.2).
- Improving DNSPs sharing of performance information with the Scheme (section 4.4.2).
- Expanding the scope of the Scheme to include other work types (section 3.3).
- Reducing the delays that submissions say currently occur in the development of designs, contributing to time and cost delays which are passed to the developer (and ultimately to the consumer). The most common suggestion in this regard is to revise the accreditation requirements for ASP L3 providers to enhance the market of ASP L3s and improve service delivery (section 4.7).
- Providing a searchable database of ASPs with expanded information on ASPs, including the geographic area in which they work, the types of work they undertake, and the number of jobs they've undertaken (section 4.2.1).

2.3 Improving Scheme administration

In summary

- Scheme administration no longer meets the expectations of participants nor contemporary customer service standards. This is the greatest concern of ASPs.
- Modernisation of administration could include an improved digital platform, greater efficiencies and increased communication with participants.
- Improved administration may also provide a trigger for DNSPs to review their authorisation processes with a view to decreasing demands on ASPs and registered employees.
- Investment in administration should deliver improved outcomes for businesses and consumers alike.

Scheme administration encompasses the way in which applicants provide information, ongoing participants engage with the Scheme and DNSPs receive and share information about ASPs and registered employees. For stakeholders in consultation forums and submissions, Scheme administration was a critical issue; for ASPs it was the most important issue.

Submissions overwhelmingly noted the importance of improving processing times. Submissions noted that processing times of 6–12 weeks for both new applications and for registration of new employees restrict ASPs from taking on new jobs (or losing jobs to which they had committed), expanding into new geographic areas, taking on new employees, and letting current employees leave (because of the difficulty of registering new staff). The high turnaround timeframes increase labour costs and, hence, costs for consumers.

Submissions provided a range of suggestions on how to improve Scheme service delivery. The key themes of the suggestions were:

- An improved digital platform that offered services in line with most other businesses and government services. There was overwhelming support for introducing online services for the Scheme, including online application and payment processes and competency management systems (such as a shared portal for uploading qualifications). Submissions noted this platform

should be integrated across the industry and support information sharing on performance. Some ASPs saw this as an opportunity to reduce duplication with DNSPs and to improve consistency across the wider industry.

- Making the Scheme more efficient. All three DNSPs emphasised that improved online services would create significant efficiencies for the Scheme, DNSPs and ASPs, while also providing improved information and data for consumers.

Some submissions also recommended that benchmarks or standards for Scheme administration would help ensure that administration was meeting stakeholder expectations.

Submissions linked improved digital services with better outcomes for consumers, including improved data on ASPs, including their grading, number and types of jobs. Some submissions also noted the potential for accepting and publishing consumer feedback.

One submission, however, indicated that “snail mail and e-mail” were still required. Several submissions noted the Scheme is currently well administered and that stringent requirements should be maintained.

Other specific suggestions to improve Scheme delivery included:

- Allowing registered employees to move to a new ASP seamlessly
- Cleansing the database on contact details and registered employees
- Improving the forms so the requirements are easier to understand
- Allowing payment by bank transfer
- Introducing licensing requirements for overhead lines workers and cable jointers.

The Department is currently exploring options for improving Scheme administration within existing resources. As discussed in section 5.4, the Scheme is self-funding so a major upgrade may require additional resources to support the development.

DPIE initial responses to improve customer service

During the course of this Review, DPIE has already taken initiative to address some of the issues raised in consultation. Specifically, the Department is developing consumer guidance information to:

- Provide clarity on specific information required for applications so application processing can occur efficiently and accurately
- Outline minimum information and quality standards of applications and the threshold for rejections to ensure that all applications can be treated equally in terms of time and cost to process
- Support participants to reduce the number of More Information Requests (MIRs) being raised by ensuring clarity of required information as part of applications
- Outline contemporary customer service expectations in terms of turnaround time expectations for applications that meet minimum requirements and expectations of response time to clarification requests by the Scheme and by ASPs
- Improve messaging and information of the Scheme and its requirements via websites and electronic communications
- Outline the basis for approval and rejections to ensure that applications can be processed efficiently and to enable all applicants to receive fair attention by Scheme administrators to address legitimate application issues
- Provide clarity on Scheme Rules and guidance on application types that apply based on contestable service category.

Options: Improving Scheme administration

Option	Involves	Analysis
Feasible		
Update administration platform	<p>Online portal to support self-service by ASPs as far as possible. Key public-facing features may include:</p> <ul style="list-style-type: none"> ▪ Applicants apply and upload documents online via a web browser ▪ Applicants track status of application live with automated updates ▪ ASPs manage renewals directly ▪ DNSP access to documents uploaded by applicants ▪ Publicly searchable database. 	<p>A new platform would improve customer service. Likely benefits include:</p> <ul style="list-style-type: none"> ▪ Reduces turnaround times ▪ Reduces errors in submissions by requiring compliance with minimum requirements ▪ Improves transparency for applicants ▪ Potential to reduce duplication by eliminating the need for applicants to submit documents to both DPIE and DNSPs (or multiple DNSPs if working across more than one network region). <hr/> <p>Importance: High Cost: \$\$ Time: ★★ Dependencies: Requires investment in IT systems, which may not be covered by the current Scheme funding.</p>

Option	Involves	Analysis
Sharing a unique identifier for registered employees to speed registrations	<p>Sharing the unique identifier for every registered employee with the employee and ASPs. This supports seamless registration to other ASPs. Introduce a simple process for ASPs and registered employees to confirm their relationship. Require update on change of status.</p>	<p>Improving the process by which registered employees are associated with specific ASPs is critical; the process needs to be simple and fast. The currency of the information is important and the rules may need to consider setting a flag for an individual who is working for a large number of ASPs (e.g. >5).</p> <p>Where a registered individual's move (to or from an ASP) affects an ASP's accreditation status, some Scheme review may be required.</p> <p>Implementation of this option is linked to consideration of other proposals (section 3) and requires a portal to be available.</p> <hr/> <p>Importance: High Cost: \$ Time: ★ Dependencies: Linked to broader system changes.</p>
Somewhat feasible		
Commitment to performance targets	<p>Commitment to target turnaround times and public reporting of performance against targets for applicants and existing providers.</p>	<p>A simple step that would improve transparency of operations and provides greater certainty to Scheme participants/better able to plan resources. The targets set will need to consider the available tools, processes and Scheme funding. Overly ambitious targets might require significant additional investment and—hence—fees, increasing costs to consumers.</p> <hr/> <p>Importance: Medium Cost: \$ Time: ★★ Dependencies: Requires investment in IT systems.</p>

2.4 Applicant and participant-focused education

In summary

- There is scope to improve the information provided to applicants and participants.
- Better information is likely to support improved turnaround times through reduced errors in applications.
- There are calls for the Department to provide more communication to the sector, particularly around best practice, emerging issues and, where relevant, incidents.

There are two points at which there were calls for improved education:

- The first was for Scheme applicants and—to a lesser extent—participants, to improve the information provided about the Scheme and the understanding of the requirements of Scheme participation
- The second was for Scheme participants, who would like to be kept up to date with changed information and expectations.

2.4.1 Improved understanding of application processes and Scheme Rules

One of the drivers of longer turnaround times appears to be incomplete information provided by applicants. The Department reports that the need to request and wait for the additional information required to assess a complete application takes some weeks. An examination of the process suggests that there appear to be a number of barriers for applicants and participants: the Scheme Rules are difficult to understand; the application form results in incomplete information; and the website provides little guidance.

The Scheme Rules are a legal instrument, so the material they contain is critical to the operation of the Scheme. The current language of the Rules, however, is overly legalistic. RTOs indicated that they have necessarily become advisors to ASP applicants to help them understand the applicant's role and what accreditation to apply for. This indicates that the Rules are not sufficiently transparent to enable applicants to understand the levels and requirements easily. There is scope to make the Scheme Rules clearer, following plain English principles, particularly by testing the draft document with users to validate that the intended messages are presented effectively. There would also be benefit in providing simple guidelines to the rules for users so that they are able to follow a simple pathway to accreditation.

The introduction of a new portal (discussed in section 2.3) would trigger a revision of the application process. The application form could be structured to provide clear guidance and include prompts to ensure complete information. There may be benefit in working with a sample of providers to test the clarity of the application forms with the specific aim of generating accurate and complete applications.

Finally, the Scheme website has not been updated in some time. It is not intuitive and could be refreshed to offer clearer information for applicants as well as participants and consumers.

Options: Understanding of application processes and Scheme Rules

Option	Involves	Analysis
Feasible		
Improve information provided for applicants	Redrafting the Scheme Rules so they are in plain English, including testing with users to ensure ease of understanding. Preparing a plain English guide to the Scheme Rules to support applicants to understand the application requirements, and all participants to understand their ongoing obligations.	<p>Improving applicants' and participants' understanding of the Scheme should improve compliance and reduce the work involved in administering the Scheme.</p> <hr/> <p>Importance: High Cost: \$ Time: ⬆️ Dependencies: Could be done immediately. Requires resolution of operating rules to be fully effective.</p>
Clearer application forms	Redesign the application process so it is clearer for applicants; test with applicants before finalising.	<p>Reducing errors in applications should improve turnaround times.</p> <hr/> <p>Importance: Medium Cost: \$ Time: ⬆️ Dependencies: Could be done immediately. Requires resolution of operating rules, particularly regarding entry.</p>
Update Scheme website	Make website more user friendly for Scheme stakeholders. Test information pathways for ASP users.	<p>Clearer and better access to information for participants would reduce questions to the Department and free up resources to focus on priority issues.</p> <hr/> <p>Importance: Medium Cost: \$ Time: ⬆️ Dependencies: Could be done immediately. Requires resolution of operating approach to provide clearer, up-to-date guidance.</p>

2.4.2 Improved information-sharing and education

As noted in section 4.2, which discussed how a contemporary regulatory system considers how education can be used to achieve its objectives, there was also broad support for the Scheme to take on an enhanced role in education. Areas of focus for improved communication included best practice, emerging issues and, where relevant, incidents.

There were also calls for information to be delivered in a variety of ways from regular, light-touch newsletters advising of updates to industry requirements through to delivery of formal education. In the case of the latter, submissions were keen to see improved training offerings, and cited a range of existing TAFE, industry body and DNSP-based training offerings that they felt were not useful.

Options: Applicant and participant-focused education

Option	Involves	Analysis
Feasible		
Newsletter	Introducing a new, regular newsletter to distribute to relevant participants. The newsletter would draw attention to important issues, risks or changes.	<p>This would be widely supported and offers a means of updating participants to changed requirements. Could be strengthened with the participation of DNSPs.</p> <hr/> <p>Importance: Low Cost: \$\$ Time: ◆◆ Dependencies: Requires dedicated staff support, which will need to be weighed up against other priorities.</p>
Somewhat feasible		
Host industry forums	Host online information updates to industry participants, possibly jointly with DNSPs. This would require that the Department track key issues and common questions and address them. The advisory arrangements could also provide advice and suggestions. Could possibly contribute to CPD requirements if introduced.	<p>This is likely to be strongly supported as stakeholders requested more information about current developments in the Scheme. Provides an opportunity for the Department and DNSPs to coordinate advice and requests of participants. However, this is more work than the newsletter suggested above.</p> <hr/> <p>Importance: Low-Medium Cost: \$\$ Time: ◆◆ Dependencies: Requires dedicated staff support, which will need to be weighed up against other priorities.</p>
Infeasible		
Formal training	Offer refresher training or extension training to Scheme participants.	<p>While the Department is well placed to recognise industry training needs, it is not an RTO. It would be preferable for the Department to work with others to shape training offerings (section 4.6).</p> <hr/> <p>Infeasible as DPIE is not an RTO.</p>

3 Scope of the ASP Scheme

3.1 Overview

The scope and structure of the ASP Scheme dominated most submissions and forums. There is a clear and strongly supported desire to continue the Scheme, with the view across all participants that the Scheme offered significant value. Nevertheless, there was equally strong support for addressing some critical areas for improvement and to expand the works covered by the Scheme, with few submissions indicating that no change was necessary. In particular, there is a strong call to expand the scope of works delivered by ASPs to improve consumer outcomes.

A range of factors must be considered in reshaping the Scheme:

- The way contestable services are defined influences the subsequent approach to describing classes.
- The intersection with good regulatory practice and the cost of administration also influence the way classes are formulated. For example, while there were some calls for more and greater specificity of classes, there is a cost to both the Scheme and participants in administering greater complexity.
- Similarly, many were in favour of a complete overhaul of terminology so that it was more logical and easier to understand. There are benefits from that approach but also switching costs that would need to be considered.
- One specific issue emerged through a range of comments: that of the relationship between accreditation and registration, including between the competence of the ASP and that of its registered employees.

The structure of this section is as follows:

- The continued need for the Scheme
- Scope of works being regulated, including classes and the terminology used
- The relationship between accredited organisations and registered employees
- A focus on safety
- Metering
- Issues that are out of scope.

3.2 Continued need for the Scheme and Scheme administration

In summary

- There is strong support for the continuation of the Scheme and a clear belief that the Scheme is delivering against its objectives.
- There is also support for the continued administration of the Scheme within government. Those that raised the prospect of a different administrator typically highlighted the need for specific focus on the issues, greater responsiveness to change and improved customer service.

The overwhelming majority of submissions supported the continuation of the Scheme, while also identifying critical areas of improvement for consideration through the Review. This view was common across all industry participants, including all three DNSPs. Submissions noted that the Scheme's value lies in:

- Facilitating a contestable market by fostering and enabling competition
- Providing an independent assessment of compliance and monitoring industry trends and issues

- Delivering cost-efficiencies by centralising assessment of competence and reducing duplication
- Improving consistency and reducing duplication amongst DNSPs
- Improving quality and safety by ensuring competent workers in the industry
- Supporting better consumer outcomes through reduced costs.

Despite this broad support, the submissions also noted that it is critical that the Scheme introduce significant improvements to its administrative operations, particularly as ASPs undertake works of an increasing scale, volume, and complexity. Other recommended improvements, include:

- Expanding the scope of contestable services to include new types of work
- Improving its focus on electricity safety
- Identifying clearly the objectives of the Scheme and its role within the wider industry, including clearly stated roles of all stakeholders in the industry including DNSPs.

The suggested improvements are explored in more detail throughout this report.

On the issue of whether the Scheme should be delivered through a mechanism other than government, there was overwhelming support for the continued delivery by government. The primary reasons cited were the government's impartiality and independence from DNSPs and retailers, the ability to focus on safety and links with SafeWork, and the importance of regulatory approaches to ensuring ongoing competence and compliance.

Three submissions considered the benefits of other government agencies administering the Scheme, including the discussion of the strengths Fair Trading has in licensing, customer service, and publishing transparent and detailed information for consumers through the website. Prior to the previous 2010 Review of the Scheme, it was located in Fair Trading. That Review considered that there were some benefits to its remaining in Fair Trading including industry familiarity with the arrangements and a parallel with Fair Trading's range of consumer-related business and trade licensing functions. However, it also noted that DPIE's predecessor organisation was tasked with leading electricity policy and regulation in NSW. Bringing the administration of the Scheme together with broader electricity work would, it argued, bring policy and operation together and make use of existing technical expertise within that department.

There are still clear benefits from retaining the Scheme in DPIE, including:

- The capacity to drive consistency across DNSP requirements through the Service and Installation Rules, which are a DPIE responsibility
- DPIE is responsible for various energy transition programs in which the need for specific skillsets in the electricity industry workforce can be informed by the Scheme.

There would need to be a very strong benefit to a changed operating arrangement, as the existing expertise in Scheme administration lies in DPIE and change disrupts service provision. There is insufficient evidence for such a change.

All three DNSPs discussed the benefits and drawbacks of a third party undertaking the role of the Scheme, noting that a third-party body could have greater technical expertise and capacity to improve safety. Nevertheless, the strong benefits of government administration are its independence and regulatory tools.

A number of forum participants caveated that view with a strong desire that continued delivery by government needed to be accompanied with a strong commitment to keeping the Scheme current and responsive.

Options: Scheme administration

Option	Involves	Analysis
Feasible		
Remain in DPIE	No change to the current administrative arrangements for the Scheme.	<p>Continued administration of the Scheme in the energy section of DPIE allows the Scheme to both contribute to and capitalise on the policy and operational expertise of the energy section in DPIE. It also supports a focused effort to implement the improvements arising from this Review.</p> <hr/> <p>No additional investment of cost or time beyond improvements recommended in this Review.</p>
Somewhat feasible		
Transition to Fair Trading	Transitioning the administration of the Scheme to Fair Trading, including all fees and activities.	<p>Fair Trading currently has responsibility for the licensing of electricians and there are benefits from a closer relationship between that function and the Scheme. However, this relationship can be strengthened without a machinery of government change. Further, the transfer of the Scheme would likely disrupt a future program of reform.</p> <hr/> <p>Higher cost and time to transition for no identified improvement in outcome.</p>
Infeasible		
Transition to an industry body	Selecting or building an industry body at arm's length from government to administer the Scheme. The body would receive all revenues and undertake all activities.	<p>Some participants noted that the Scheme commenced operation within an industry body. However, the Scheme has grown in complexity and importance since that time. There is no strong case to move the Scheme out of government. Many stakeholders also believe that administration by government gives it greater independence and public validity.</p> <hr/> <p>Higher cost and time to transition for no identified improvement in outcome.</p>

3.3 Scope of works being regulated by the Scheme

In summary

- There is strong support to allow additional work types, including “tiger tails”, relocations and vegetation management, particularly as there appears to be a direct benefit for consumers in having ASPs do this work.
- Changes to the scope of the Scheme may require amendment of the legislative definition of contestable works.
- Submissions consistently supported including classes of work in the ASP Scheme rather than relying on some other mechanism such as mutual agreement.
- The approach to defining and categorising work needs to consider how to optimise the efficiency of the Scheme, as each new class or category of work requires additional resources to assess applications and monitor compliance.

There was strong engagement on the issue of the scope of works being regulated by the Scheme with significant support for the addition of new classes. Some proposals also aimed to create a greater number of subcategories for existing classes in response to differences in works themselves, which would introduce even greater specificity.

The requirement for significant revision of classes may stem from the Act. The *Electricity Supply Act 1995* s31A (5) (a) and (b) defines contestable network service as:

- A service provided for the purpose of complying with a requirement imposed by a distributor under this division
- Any other distribution service prescribed by the regulation.

That is, contestable services are not clearly defined. As highlighted in a range of forums, what current and proposed classes of work both have in common is that they are paid for by an end consumer. An amendment to the Act such that contestable network services is defined as services for which a consumer pays may offer greater clarity, and improved flexibility for future amendment.

Once we have resolved the definition, then it is easier to consider how the classes are conceived and described, as well as the terminology for the classes. For example, broadening the work encompassed by the Scheme may not require many additional classes of work. The Issues Paper (section 1.3) presented a series of principles for sound regulatory design and practice (clarity of objectives, efficiency, role clarity and accountability, transparency, predictability and consistency, flexibility and proportionality, coherence, adaptability) (see Appendix 3). Applying these principles drives us towards Scheme design in which the Scheme should be designed as simply as possible to meet the functional needs. Having a greater number of classes can offer specificity but can also obscure the clarity of objectives, particularly when there is no tangible difference in capability requirements for different classes. There is a cost to both government and participants in administering more classes rather than fewer classes, in the need to present and analyse additional evidence, maintain and update a larger database and so on. The structure should offer flexibility to respond to emerging needs.

These considerations have shaped the options presented for the scope of the Scheme.

3.3.1 Scope of the Scheme

There is clear support for broadening the scope of the ASP Scheme to include a wider range of work than at present.

There are fundamentally two ways that the Scheme can include more work:

- The first works within the current definition of contestable network services to expand the type and complexity of connection services being undertaken, resulting in new classes
- The second amends the top level (legislative) definition of contestable works to encompass a broader range of activity.

One suggestion was that the overall definition of contestable be broadened to ‘any works involving a connection to the electricity distribution network and paid for by a consumer’. This creates a much broader scope for the Scheme and is consistent with the proposals made in submissions.

In considering the way forward, it is important to weigh up how scope can be defined as simply as possible, in a way that permits amendment with future changes, and yet which does not overly widen the scope, leading to activities that do not require regulatory oversight being included in the Scheme.

Options: Scope of the Scheme

Option	Involves	Analysis
Feasible		
Maintain current scope	Scope of work remains ‘connection services’ under the legislation	<p>Sufficient for the current Scheme, although many submissions argued for expanding the works that can be delivered by ASPs.</p> <hr/> <p>Importance: High Cost: \$ Time: † Dependencies: ∞ Facilitates changes in classes of work</p>
Broad definition change	Changing the legislation for the ASP Scheme from ‘connection services’ to ‘any work paid for by a consumer or the proponent’ in relation to connection to the network or to a DNSP.	<p>Simple change that allows inclusion of a range of works (and addition of other works over time). This option would require more detailed consideration of the implications, particularly to identify whether there were exclusions of other service types.</p> <hr/> <p>Importance: High Cost: \$\$ Time: †† Dependencies: Requires amendment to legislation and careful consideration of implications to avoid unintended consequences.</p>

3.3.2 Classes of work in the Scheme: new types of work

Submissions argued that there is a range of other work that ASPs could usefully do on the electricity network, such as “tiger tails”, some asset relocations and some works relating to public lighting. One DNSP noted that adding additional services ‘*will help improve consumer outcomes by providing a wider and potentially more cost-effective market for these...works*’.

The following outlines key types of work and the specific reasons for including these works in the Scheme, as proposed by the submissions.

Category	Commentary
Strong support	
Tiger Tails/ temporary insulation	<p>While many commented on tiger tails, NECA’s submission concisely outlined the key reasons and proposed training:</p> <ul style="list-style-type: none"> ▪ Current backlogs of 12-16 weeks promote inflated costs and delays for construction projects and consumers. Backlogs also contribute to unsafe construction practices as some contractors install these covers themselves ▪ ASPs can provide a more efficient and cost-effective means to ensure all construction sites whatever their size exposed to overhead powerlines are safe for both workers and members of the public. ▪ Align training with the current ISSC 32 to set expectations and minimum standards and avoid substandard work practices that could create risks to workers and the general public.
Asset relocation	<p>One DNSP noted that these works are often required by consumers, developers or public authorities, e.g. large consumer developments and key infrastructure projects, and suggested the works that are paid for by the proponent should be included in the Scheme. Another DNSP suggested that relocations should be open to ASPs on a case-by-case basis, suggesting further definition of which asset relocations are included in the Scheme may be required.</p>
Sub-transmission and transmission	<p>Since commencement of the Scheme, there has been a significant increase in the number of consumer connections at sub transmission and transmission voltages, such as large data centres and large infrastructure projects. While these connections are still to a DNSP network, and therefore captured by the Scheme, the specialised skills and knowledge are beyond that envisaged at the time of Scheme implementation.</p> <p>Submissions noted that companies already specialise in this area of work; its inclusion in the Scheme would enable them to be recognised for it and assist them by setting specific requirements around company and worker competencies. There was support for an additional class or classes within Levels 1 and 3.</p> <p>NECA suggested including transmission works in the Scheme, as new types of connections <i>“which include connections to large scale solar and wind farms, where due to geographic isolation and the size of these connections, the nearest connection point is a Transmission tower.”</i></p> <p>NECA suggested that not including these works in the Scheme would lower quality and increase costs as other companies without their competence and systems would be able to compete for these works.</p>
Moderate support	
Vegetation management	<p>There was consistent support for including vegetation management to the Scheme, noting that it would clarify responsibilities, improve timeframes, and reduce costs. NECA suggested that service lines and distribution lines should be distinguished, so that ASP L1s carry out work on the distribution system and</p>

Category	Commentary
	ASP L2s be responsible for vegetation management on service wires on private property ^{iv} . A current vegetation management trial is underway to determine the feasibility of managing this function under similar arrangements to the Scheme.
Metering	<p>Metering is discussed in more detail in section 3.6 below. In summary, there were submissions from metering providers and ASPs arguing that the current arrangements have fractured many metering jobs, increasing time and costs for consumers.</p> <p>NECA also noted that ASP L2s <i>“are highly skilled and experienced at installing metering equipment and have rigorous processes and training in place to complete this work. They can install and energise the electrical installation in one visit, saving both time and cost for the consumer.”</i></p> <p>Metering is currently a function of electricity retailers and is outside the legislative scope of the Scheme.</p>
Some support	
Public lighting	Submissions suggested that DNSPs’ public lighting provides a critical safety function, and that DNSPs were unable to replace broken lights in a timely manner. The submissions indicated that ASP L1s have the current skills to undertake this work. Energy NSW’s Public Lighting Code outlines service standards for public lighting, but does not intend to amend the operation of the ASP Scheme. This work is currently carried out at the cost of the DNSPs and is outside the scope of the Scheme.
ASP L3 asset access	Several submissions noted that ASP L3s were unable to access the network under their current accreditation. Many ASP L3s have the required technical and electrical qualifications and it was argued they could deliver better designs if they could be granted access to those parts of the network not normally visible, for example the interior of substations and underground pillars.

In addition, the following works were proposed, albeit not with the same level of support as those above:

- Ability to perform more extensive isolations, such as LV fuse switch on sub pole supplying single consumers, to remove unnecessary involvement of DNSP. Currently this is not included in the disconnection and reconnection works permitted by an ASP L2
- Glove and barrier live high voltage work, currently undertaken by DNSPs, to reduce cost and time
- Design certification
- Network system studies
- Network switching and testing
- Maximum demand indicator reads on old substations, which may be needed for preparation of a design
- Replacement of SPDs and MPDs.

The following were also suggested but are either not contestable or constitute work on consumers’ private installations and are not relevant to ASPs:

^{iv} This work would apply to vegetation management that is not carried out by the DNSPs at their own cost.

- Nailed pole replacement
- LV CONSAC cable replacement design and construction
- Broken crossarm replacement <11kv
- Upgrading and/or energisation of multi domestic and over 100amp MSBs.

In summary, despite strong agreement for the inclusion of additional types of work, there is still considerable work required to identify and agree the specific types of work to be performed.

Options: New types of work

Option	Involves	Analysis
Feasible		
Review and add the most supported types of work	<p>A quick technical review of the most supported types of work (tiger tails, asset relocations, transmission and sub-transmission, vegetation management and ASP L3 asset inspections) to do a final assessment of appropriateness for inclusion and the accreditation requirements. Amend the legislation to incorporate additional types of work where they are not classified as connection services.</p>	<p>Adding new types of work demands that the competence standards be established, and a review guided by the proposed advisory arrangements (section 5.3) provides a means of relatively quickly assessing the full work demands and addressing appropriate competence requirements. The integrity of the Scheme means that work must lie within the contestable framework (that is, the cost is met by the consumer or other proponent). Where work is funded internally by the DNSP, opening it to external contractors is a business decision for the DNSP and is outside the Scheme's domain.</p> <hr/> <p>Importance: High Cost: \$\$ Time: ★★ Dependencies: Benefits from access to improved advisory arrangements, which would need to be established.</p>
Somewhat feasible		
Review against a changed legislative definition	<p>Should the legislation be amended as suggested in section 3.3.1, then there could be a comprehensive review of all work categories that would fit into the definition of consumer-paid work.</p>	<p>Changing the legislation creates greater clarity; however a full review would take considerable time to complete, whereas attending immediately to the most supported classes offers short-term improvement.</p> <hr/> <p>Importance: High importance to solve the issue, but less feasible than previous option. Cost: \$\$ Time: ★★ Dependencies: Changed legislative</p>

		definition must first be approved, then advisory arrangements put in place.
Infeasible		
No change	No change to current categories of work.	Not supported by submissions or forums. There is a strong case predicated on benefits for consumers to expand the types of work covered by the Scheme.
		Does not solve the issue.

3.3.3 Classes of work in the Scheme: updating the classes

The inclusion of additional types of work triggers the need to review the classes of work within the rules. Submissions primarily focused on addition of more classes. However, there are also arguments for removing or rationalising classes, largely stemming from approaches for good regulatory design (which would drive as simple a design as possible) and the extent to which there is differentiation between the classes in current activity.

The arguments for increasing the classes include:

- Reflecting levels of expertise or specialisation. The separation of work into classes implies the need for different qualifications or experience to establish competence. Some types of work require significant specialisation and, submissions argued, should be reflected in specialist categories
- A strong representation by some DNSPs which have created more subcategories of authorisation to manage their business, that more subcategories be reflected back in the Scheme classes. The implication of this change would be that the Scheme would then align with the work practice of DNSPs
- Given that DNSPs have differing subclasses of work, ASPs suggest that more classes would support alignment between the Scheme and DNSP work practice
- The diversity of worker types in the X classes; an expansion of subcategories, DNSPs argued, would support their having greater control over people working on the network.

However, there is also a case for rationalising the number of classes:

- As the role of the Scheme is to ensure competence, the logical argument for separate classes of work would be that there are different requirements to establish competence. A review of the current accreditation patterns shows that there are few ASPs that are accredited for a single class of work. In fact most are accredited for all classes within a level, implying that competence requirements are common.
- Further, the qualifications required for Level 1 and Level 2 have many common elements. The major differentiating factor is the expectations of the underpinning organisational systems
- In addition, some of the current classes are not or are rarely used on their own, suggesting that there is no clear differentiation offered by them.
- The X subclass (currently 1X and 2X) is undifferentiated other than by the type of organisation that applies. The X subclasses do not correspond to competency expectations, other than the need to supply a drivers licence, so there is in effect no difference between these classes. This suggests that they could be collapsed into a single X class.

- Each additional class creates additional regulatory cost in the form of assessment of applications, management of renewals, monitoring of performance and updating systems to accommodate new classes. In general, a smaller number of broad classes is likely to be more efficient to manage (and impose less cost on participants) than a larger number of specific classes.
- There is a separation of responsibility between the Scheme—which determines that companies and individuals are competent to carry out types of work—and the DNSPs—which ensure that works carried out meet their network requirements, by inducting and training ASPs and registered employees, and inspecting works. Administrative simplicity for the DNSPs is not a reason for a regulatory scheme to take on additional work.

The Issues Paper asked the question why additional classes should be specified in the Scheme rather than another mechanism such as mutual agreement. Submissions from ASPs and DNSPs were overwhelmingly consistent in their view that including classes in the ASP Scheme provides significant benefits for consumers, DNSPs, ASPs and the system as a whole. In their view, a single regulatory, administrative and contract framework reduces complexity and duplication in the system, which makes the system overall more efficient and reduces costs for consumers.

Submissions noted that the ASP Scheme ensures that the classes of work are defined appropriately and that the required competencies are agreed across the industry. This provides consistency across the DNSPs, reducing cost and time for ASPs.

HIA supported the inclusion of additional classes of work in the Scheme because of the benefits to consumers of a clear and consistent framework governing energy services.

One DNSP noted:

All services that are nominated as contestable should sit under a single entity for the overall framework and regulation. This provides consistency in the rules and requirements and independence in the application of the rules...

Regulation at lower level can create inconsistencies in assessment and application of safety, compliance, and regulatory requirements. This may lead to increased safety risk and has the potential for lower efficiency in market operation.

Options: Updating the classes

Option	Involves	Analysis
Feasible		
Rationalise classes	Align classes with unique competencies, reducing the number of classes. This option does not preclude the addition of new, unique classes in response to additional types of work.	<p>There appears to be a strong case for rationalisation of at least some classes of work, which would streamline Scheme administration and remove requirements for participants. As with the option to add additional classes, completing this work would benefit from input from the proposed advisory arrangements.</p> <hr/> <p>Importance: Medium Cost: \$\$ to update, \$ to maintain Time: ★★ Dependencies: Establishment of advisory</p>

Option	Involves	Analysis
		arrangements; co-dependency with any system updates.
Somewhat feasible		
Add additional classes	<p>Maintain the current class structure and add additional classes to reflect the additional types of work. For example:</p> <ul style="list-style-type: none"> Define additional levels (subtransmission) and classes of work (kiosks, telecommunications, trainee, vegetation management) <p>New classes of work are aligned with training pathways. The Scheme then assesses the competence of applicants against requirements.</p>	<p>There is strong support for the addition of extra classes and a reasonable <i>prima facie</i> case for some potentially new classes. However, the Scheme should not take on a high level of specificity in class, as each additional level or class adds complexity and cost to the system, which is borne by the industry as the Scheme is self-funding.</p> <p>Requires technical input from agreed advisory arrangements sector to identify appropriate groupings and pathways (discussed further in section 5.3).</p> <hr/> <p>Importance: Solving the issue is medium, but approach is less feasible than previous option. Cost: \$\$ to update, \$\$ to maintain Time: ♦♦ Dependencies: Establishment of advisory arrangements; co-dependency with any system updates; impacts on others' systems.</p>
Infeasible		
Maintain current classes	<p>Maintain current structure and broad description of levels and classes. Update terminology to clarify roles and levels of work.</p>	<p>The current classes are familiar to Scheme participants and stakeholders although not necessarily to consumers. There is minimal cost in a no change approach. However, the demands for additional types of work (addressed in section 3.3.2 above) require that the classes of work be revisited.</p> <hr/> <p>Approach is infeasible as it does not solve the issue.</p>

There was a wide range of specific suggestions for changing the descriptions of the work or providing finer grained definitions through more sub-categories. These were not consistent, with mutually conflicting suggestions for categorisation and naming. More importantly, the descriptions of the levels and classes relate in part to how they are fundamentally conceived and so the determination of how to describe the levels and classes will be guided by whether those are changed as a result of the stakeholder suggestions.

There are a range of technical considerations to be resolved in finalising this issue, which may warrant referring the issue to an industry group to provide advice. This could, for example, be an issue referred to the advisory arrangements (see section 5.3).

3.3.4 Scheme terminology

For an outsider or an end consumer, the Scheme's terminology is not intuitive, creating barriers to its easy comprehension. The consultation suggested that this was also the case for Scheme participants.

For reference, this discussion relates to the three key concepts in the Scheme:

- **Levels.** Three categories of work, currently referred to as 'levels'. Broadly, Level 1 is construction and installation of distribution works, Level 2 is connection of services and Level 3 is design.
- **Classes.** These are subcategories of the levels, relating to the major areas of expertise, such as overhead, underground. As discussed in 3.3.3, classes should differentiate work requiring different competences.
- **Grades.** Within each level, there is scope to grade providers according to the quality of the work undertaken. There are grades from C to A for Levels 1 and 2; there is currently no grading for Level 3 work.

Scheme participants strongly argued in the consultation forums that the Scheme Rules are hard to understand, and that there is some confusion between the current labels, specifically:

- The naming of the work types does not align with the general sequence of how work is done (design to construction to connection)
- Classes and Grades are both letters, leading to ambiguity
- The combination of levels, classes and grades creates confusion for consumers
- The gradings are currently not meaningful. For example all Level 2 applicants start at Grade B, and there is no framework for downgrading to Grade C; DNSPs report that ASPs that have had their authorisation suspended still hold an 'A' grade in the accreditation Scheme (the need for a more active approach to grading is discussed in section 4.5.1).

Consultation with consumers (albeit limited) indicated that they rely on tacit knowledge to understand how the Scheme works, one saying 'it takes a while to work it out, you just get to know who does what'. This also indicates that better terminology would provide better signals to users about roles and functions in the Scheme.

Options: Scheme terminology

Option	Involves	Analysis
Feasible		
Use descriptors as names in sequential order	Revise the naming of levels so they explain the type of work, for example: <ul style="list-style-type: none"> ▪ Design (currently L3) ▪ Construction and installation (L1) ▪ Service Connection (L2) ▪ Network Access (X). 	There is support for changed naming. Descriptive names at the top level helps clarify the role and purpose of each work type. Sequential order (that is, the order in which works are undertaken) helps consumers understand the nature of the provider they are engaging. However, the names are understood by many in the system so change may disturb this. Nevertheless, there could be a transition

		<p>period in which both old and new naming was used to assist understanding.</p> <hr/> <p>Importance: Low Cost: \$ Time: † Dependencies: Administrative impacts for DPIE and potentially others; change management process to ensure Scheme participants understand the changes.</p>
<p>Update labels for grades</p>	<p>Adopt labels (Bronze, Silver, Gold) rather than letters and add a category for 'Provisional' for new entrants.</p>	<p>Labels provide greater transparency to participants and consumers. There is potential for increased clarity, but of greater importance is ensuring the grades reflect competence (see section 4.5.1 for discussion of issues and proposed approach to grading).</p> <hr/> <p>Importance: Low Cost: \$ Time: † Dependencies: Would be done simultaneously with changes to ongoing assessment.</p>

3.4 The relationship between accredited organisations and registered employees^v

In summary

- The expectations of accredited companies^{vi} versus their registered employees creates a significant design complication that plays out in a range of ways, most notably through the requirement to register each employee with each of the companies with which they work.
- Determining organisational competence on the basis of its access to registered employees also creates a tenuous relationship between the ASP and the types of work for which it is considered competent.
- Clarifying this design feature would benefit all stakeholders in the system.

One issue that was not raised explicitly in submissions or forums nevertheless underpins a range of concerns. The issue is the relationship between accredited organisations and registered employees and, in turn, which entity is responsible for what.

The Scheme was originally designed to accredit both companies and natural persons. There are significant legal protections offered by company structures, and these are important to the sound operation of connection services. The Scheme requires that in order to be accredited, companies and individuals must have appropriate management systems, be fit and proper persons, and be competent

^v For simplicity, we have used the term registered employees for both permanent employees and subcontractors of ASPs.

^{vi} For simplicity, we have used the term companies to also encompass sole traders.

in the works that they seek to provide. The competence of the accredited company is demonstrated through its access to (employed or subcontracted) individuals, who are registered under the Scheme. For that reason, every registered employee needs to be allocated to every company for which they do work, a process that many found unnecessarily time consuming, complicated and not currently maintained accurately.

The forums advised that the workforce is highly mobile; employed individuals may move frequently between different companies and subcontractors may work for a range of companies. While there is an obligation on companies to advise of the movements of registered employees, companies may not remove subcontractors who have not actually completed work with them for some time on the basis that it is easier to keep them on the books than to remove them and add again later.

Determining competence for companies by their access to registered employees has a material impact, as it underpins the classes for which the company can undertake work. If a company were to be considered competent for one class on the basis of a sole employee, and that employee left, the company would no longer be competent in that class.

The nexus between the competence of the individual and the competence of the company, both at the point of accreditation and in confirming ongoing competence by class of work, is critical to the Scheme design.

A secondary issue, but one of significance to stakeholders, is that the requirement to add registered employees was noted as involving long delays. Clarification of the relationship between ASPs and their registered employees, and streamlining of associated processes, could assist in both ensuring competence and streamlining processes.

Options: Relationship between accredited organisations and registered employees

Option	Involves	Analysis
Feasible		
ASP requires continued access to competent principals for each class of work	The ASP can only be accredited for classes of work for which it has an employee (possibly senior) who can act as the “Designated Principal” for each category of work. The designated principal becomes responsible for making sure all safety systems are in place and that employees are appropriately registered. Any individual may be	This approach would establish a strong nexus between the competence of the individual and that of the company. This approach has been used in a range of industries, often through a requirement that a senior person (often the CEO or a Director) be competent. Removal of the requirement to link all registered employees with a company would be widely supported.

Option	Involves	Analysis
	<p>the designated principal for one or many classes. The ASP is required to keep those positions filled with appropriately qualified individuals. For the period in which the designated principle was vacant, the ASP would be unable to complete work in that class. The ASP would be able to hire as many (registered) employees or subcontractors as needed, provided there was a designated principal to provide expertise. While workers still need to be registered, the current practice of linking all employees with every company could then cease.</p>	<p>Importance: High Cost: \$\$ upfront, \$ ongoing Time: ✦✦ upfront, ✦ ongoing Dependencies: Requires change in practice for ASPs. Requires changes to the Rules.</p>
Somewhat feasible		
<p>ASP is only considered to be accredited when there are active registered employees available</p>	<p>As with the current approach, an ASP's eligibility for classes of work is dependent on the registered employee/subcontractor capability. The ASP capability to carry out works in different classes would change in response to changes in access to registered employees. ASPs would be required to report to the Department on the level of work by registered employees. Lack of work by a registered employee within a set time period (say 18 months) would result in their being removed from the register, potentially affecting registration status. Fines for not notifying of employee changes.</p>	<p>This preserves the separation of company and individual and clarifies the nexus of their relationship. It is administratively more burdensome than the preceding option, particularly as it potentially requires frequent adjustment for classes of work by ASPs.</p> <hr/> <p>Importance: High importance to solve the issue, but less feasible than previous option. Cost: \$\$ upfront, \$\$ ongoing Time: ✦ Dependencies: Requires stricter enforcement of current Rules, including introduction of penalties for non-compliance.</p>
<p>Differentiated model</p>	<p>The nature of the relationship between the company and its workforce could be varied to accommodate different levels of work. For example, there may be an expectation that ASP L1s at all times employ a Designated Principal, while ASP L2s might need to notify of employee changes.</p>	<p>This introduces a proportionate response to the approach, likely in accordance with the size of workforce (as, in general, ASP L1s have larger workforces than ASP L2s). The success of a differentiated model would hinge on a sound risk assessment and an understanding of the administrative burden resulting from the changes.</p>

Option	Involves	Analysis
		<p>Importance: High importance to solve the issue. More complicated than first option but also proportionate.</p> <p>Cost: \$\$ upfront, \$ ongoing</p> <p>Time: ♦♦ upfront, ♦ ongoing</p> <p>Dependencies: Requires investment in IT systems, which may not be covered by the current Scheme funding.</p>
Infeasible		
No change other than streamlined process	<p>This option preserves the awkward relationship between company and employee, and focuses on streamlining the approach to separate registration of every registered employee with every ASP they may work for. A new, possibly automated system, could mean that all that is required for each ASP to notify of a new (but already registered) employee/contractor is submission of a form with a dual signoff (from the ASP and employee) with no need for DPIE action.</p>	<p>This approach streamlines a current burden, but does not address the problem of establishing the competence of an organisation.</p> <hr/> <p>Does not solve the issue.</p>

3.5 A focus on safety

In summary

- The vast majority of submissions identified that safety in the industry is improved through the ASP Scheme's activity in systems assessment for accreditation. The Scheme works in conjunction with the activity of DNSPs to promote and report on safety.
- There is insufficient information to determine the extent to which safety remains an issue for the industry.
- Nevertheless, there is both a strong case and strong support for strengthening current requirements to address the specific expectations of work health and safety regulation.

Safety is one of the key Scheme objectives. The Issues Paper sought to identify the unique role the Scheme played in delivering that objective. Many submissions addressed this issue and it was also canvassed in consultations with relevant government stakeholders.

Submissions overwhelmingly identified that safety in the industry is improved through the ASP Scheme's review of company management systems, including the third-party assessment for ASP L1s. They emphasised that this industry-specific and activity-specific guidance supports safety in the industry. Some forum participants indicated that ASP L2 safety management guidance and assessments could be improved.

Further, *Work Health and Safety Regulation 2017* s152 provides for exemptions for live work for persons accredited to provide contestable services under the Scheme, embedding the role of safety within the Scheme.

The vast majority of submissions strongly suggested that the current requirements must be strengthened, to ensure:

- Safety systems are implemented in the field
- Safety systems are maintained and improved
- Safety requirements for ASP L3s (e.g. requirements to understand the Electrical Safety Rules and site safety) are identified and implemented
- Safety systems are checked when risks or incidents are identified.

This Review has attempted to quantify the level of safety risk, as could be demonstrated by issues and near misses; however, there is insufficient information to identify that risk. Reporting to IPART indicates minimal issues. Informal data provided by one DNSP suggested 11 serious safety incidents occurred across a 3.25 year period across 2017-2020.

Submissions and government stakeholders recommended the introduction of a trial audit program to assess work practice and improve information about safety incidents and practices. Other proposals about how to ensure safety systems are maintained included annual audits, field-based assessments, annual self-assessments, and third-party assessments in response to notifications, for example if SWMS, WHRAs and incident reports are not being completed (or not being completed adequately).

A number of submissions from ASPs identified that the safety and regulatory environment for ASP electrical works is complicated and DNSPs' different requirements cause additional confusion. NECA observed that:

Currently NSW has a fractured and disjointed approach to the governance of electrical infrastructure, licencing, reporting and regulation. IPART, DPIE, NSW Fair Trading and SafeWork all have some responsibility for certain aspects of electrical compliance and administration across multiple Acts, and Government Ministers. This has created a siloed industry where no one area is empowered to work for the betterment of all consumers and the industry as a whole. The current governance model creates duplication, delays and disjointed approaches to the same or similar issues. It has also created gaps in the coverage of certain aspects of electrical safety, for example the inspection of electrical contractor work.

Establishing a dedicated Electrical Safety Office in NSW would heighten the importance and align the structure of electrical governance of NSW with other States in Australia Energy Safe Victoria and the Electrical Safety Office in Queensland. A similar office in NSW would be the "one stop shop" for all electrical related issues and has the potential to be an industry leader. There are many opportunities to use the expertise of each individual agency to remove duplication, improve inefficient ASP application and Licencing processes and make the connection of electrical assets a much better experience in NSW.

The issue of the governance of electrical safety is bigger than the scope of this Review, but may benefit from future scrutiny by government.

Although this Review is addressing the ASP Scheme, the submissions point to the role of DNSPs in contributing to a safe environment. For example, DNSPs are strongly placed to provide guidance on safety, particularly as a preventive measure. DNSPs have a history in providing the works that are now considered contestable, and are also closely associated with service delivery, and so can offer reflections on practice and guidance on approaches to enhance safety. Some stakeholders advised that this was an important practice in the past.

The actions of DNSPs affect the environment that the Scheme is regulating. For example, DNSPs report that in recent times there has been a reduction in audit work as a result of changed organisational priorities. Other stakeholders raised concerns that a reduction in audits might lead to a reduction in safety. While the Scheme has no power to direct the activities of DNSPs, changes in how DNSPs work may impact the Scheme.

Options: Safety

The options for addressing safety overlap with those addressed in section 4.4.2 on collecting information for the whole system, but are pulled out in this section for clarity.

Option	Involves	Analysis
Feasible		
Annual self-assessments	Introducing a requirement for annual returns from ASPs including self-assessments of safety systems against a template established by the Scheme. The assessment results would be submitted with the annual accreditation update.	<p>A simple, low-touch/low-cost approach that keeps safety systems front of mind for ASPs.</p> <hr/> <p>Importance: High Cost: \$ Time: † Dependencies: Linked to an update of ongoing competence assessment.</p>
Somewhat feasible		
Periodic third-party assessments	The ASP engages a qualified third party to assess safety systems on a regular (say 3 years) basis.	<p>Of greater validity than a self-assessment but a moderate cost to ASPs. To reduce costs, could be triggered by DPIE audit or review activity, or could be combined with self-assessments to validate the submissions, for example annual self-assessments + triennial third-party assessment.</p> <hr/> <p>Importance: Medium Cost: \$\$ Time: † Dependencies: Linked to an update of ongoing competence assessment.</p>
DPIE scheduled inspections and assessments	A risk-driven program of inspections to 'audit' activity by ASPs on the ground. Specifically assesses the extent to which safety systems are used on site (as opposed to being theoretical compliance documents).	<p>Strongly supported by government and stakeholder submissions. A key step in assessing the level of safety concerns. It might commence as a time-limited program to assess the nature and level of issues, and to inform future decisions about whether the program becomes permanent.</p>

Option	Involves	Analysis
		Importance: High Cost: \$\$\$ Time: ✦✦ Dependencies: Requires additional funding to develop and implement; dependent on building risk profiles.
Also consider		
A role for DNSPs as contributors to technical and safety guidance	DNSPs would periodically review their experiences with ASPs to identify learnings for the system. They may work collaboratively with DPIE to promote their findings or create enduring resources.	While this Review does not have jurisdiction over DNSP activities, this appears to be a worthwhile action to consider. For DPIE to discuss with DNSPs.

3.6 Metering

In summary

- The separation of accreditation of metering providers from ASPs appears to have created a more fragmented, costly system that does not benefit industry or consumers.
- It was argued that this fragmentation and cost was likely to increase further with the accelerated rollout of smart metering, creating a compelling case for change.
- The separation of responsibility for metering installation, in the AEMO, and the ASP Scheme, in the NSW Government through DPIE, is likely to create some challenges for reform.

A range of submissions focused on the interaction of metering installation, which is regulated by the Australian Energy Market Operator (AEMO) following changes introduced in 2017 in the “Power of Choice” reforms.

The primary overlap between the two Schemes occurs when a metering job requires isolation so that the work is not live: this requires an ASP to isolate the job before a metering installer can work on the meter, meaning that a consumer is paying for at least two people plus the work needs to be coordinated, adding complexity and time.

There is considerable dissatisfaction with the current approach and strong arguments that it benefited neither consumers, ASPs nor metering providers.

NECA’s submission summarised the most common perspective [lightly edited for clarity]:

There was strong sentiment in our industry survey, meetings and individual discussions with our members that showed that the introduction of Power of Choice in 2017 in NSW has negatively impacted on consumers’ stable well entrenched connection process for homes. Where ASP/2’s managed the end-to-end application [of the] electrification process on behalf of consumers, [which] saw houses energised in a matter of days, [this] has now been fractured [with] timeframes upwards of 15 days and including multiple touchpoints between DNSP, Retailer, Metering Provider, Metering Coordinator and consumer. It’s been clearly articulated by EWON that complaints relating to metering and Power of Choice have grown exponentially since 2017 and the consumer experience has been in a negative spin.

ASP/2s are highly skilled and experienced at installing metering equipment and have rigorous processes and training in place to complete this work. They can install and energise the electrical installation in one visit, saving both time and cost for the consumer.

This type of work needs to be seriously considered as being reinstated into the ASP Scheme.

A number of submissions by ASPs individually commented on metering. Key issues included:

- Dissatisfaction with the rollout of Power of Choice, which created a significant degree of complexity in undertaking work
- The loss of revenue that arose from Power of Choice changes, as work previously undertaken by ASP providers was removed from the Scheme
- A lack of coordination between the different streams of work which meant that there was a lack of consistency in works and a concern regarding the final quality of the work
- That the duplication created in NSW arising from the ASP Scheme did not exist elsewhere; for those operating across border this was clearer.

One metering provider also outlined their perspective on the current challenges and opportunities to improve how metering and the ASP Scheme interact. That provider offered a view that the “[ASP] Scheme provides both benefits and barriers to smart meter deployment in NSW”. In particular, they argued that the separation of connection work and metering required “repeat visits” for consumers, which in turn drove that provider to require all metering technicians in NSW to become ASP qualified even though it wasn’t necessary for metering work. They argued this resulted in higher resource costs. They also highlighted that current issues were likely to be exacerbated with the expected acceleration of smart metering rollout. From their perspective, engaging qualified and authorised ASPs assisted with resolving isolation issues but the pool of resources was limited, impacting cost and timeliness of delivery. The metering provider was in favour of enhancing the ASP Scheme with a “new classification of ASP for metering technicians who are trained and authorised to undertake work to resolve the lack of isolation device. Activities under this classification should only be permitted in the course of performing metering work and should be limited to those activities related to resolving isolation issues.” In addition, there were suggestions as to how to make this change work well.

As noted above, the AEMO operates the accreditation of metering providers under a national scheme. While there appears to be a strong case to examine changed arrangements as a means of reducing the regulatory burden and improving outcomes for consumers, the pathway forward for amending the national arrangements is less clear. Options such as cross accreditation are reliant on equivalence in the technical and safety expectations of both Schemes.

Options: Metering

Option	Involves	Analysis
For consideration^{vii}		
Encourage cross accreditation	Encourage ASPs to become qualified as meter installers and metering providers to attain accreditation as ASP providers, to	There is no administrative hurdle to this currently occurring and some ASPs are qualified metering installers. However, there is a significant time and cost to business and individuals in expecting them to become

^{vii} These options are not analysed for priority, cost and time as they are all dependent on detailed work with the AEMO.

Option	Involves	Analysis
	permit end-to-end customer services.	accredited under two systems for low marginal benefit.
Recognition of metering installers as accredited under a new ASP class	Permit approved metering installers to be automatically recognised as competent for live work on the distribution network; create a new class that covers metering installation.	A complicated response with an increased administrative burden for the Department, that may benefit metering installers but does not resolve the issue for ASPs that have the appropriate capability for metering installation.
Direct accreditation of ASPs as meter installers	Changing the AEMO rules so that the administration of meter installation is delegated to the ASP Scheme in NSW and a new class of works for meter installation be introduced.	The simplest solution from a regulatory design perspective. Potentially requires AEMO and national consent which may not be straightforward to achieve.

4 Regulatory framework

4.1 Overview

The issue of compliance and enforcement was raised in many ways in the submissions and the forums. There was a strong desire to see the industry strengthened through support for and recognition of improved operations as well as sanctions on or removal of those stakeholders that were not complying with requirements.

We have used a relatively simple regulatory framework (Figure 1) to structure the discussion of the key issues raised in the consultation. Submissions used varying terms for this kind of framework, particularly a performance management framework.

The key stages are:

- **Educate:** which serves as a means up front of familiarising potential Scheme participants with the requirements and then provides ongoing updates where information changes
- **Enable:** the process of accreditation and/or registration which enables participants to undertake work
- **Monitor:** to understand the extent to which action of Scheme participants aligns with the expectations of them
- **Act:** in response to non-competence or non-compliances, to preserve the integrity of the Scheme and to ensure Scheme objectives are achieved
- **Influence:** work with others associated with the Scheme, whether consumers, DNSPs, or other key stakeholders such as training providers, so that there is an alignment of effort.

We have pulled out the discussion of ASP Level 3 providers, because of the detail of the material arising from the consultation.

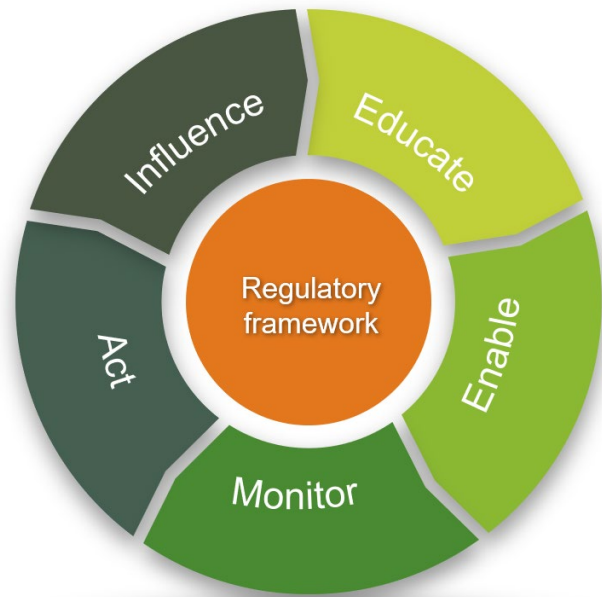


Figure 1 Simplified regulatory framework

4.2 Educate

In summary

- The consultation raised issues with both the education of potential Scheme participants before seeking accreditation and with end consumers of Scheme-accredited services.
- There was broad support for improved information availability through the DPIE website, including improved metrics on the performance of individual ASPs, coupled with a broader campaign potentially involving social media, in-person or online information sessions and other forums to improve information for consumers on how to access contestable services.
- There is significant scope for improved information to potential applicants for accreditation on the website, which would in turn improve the completeness and speed of accreditation and registration.

4.2.1 Consumer-focused education

The Issues Paper suggested that there was limited consumer awareness and understanding of the Scheme, particularly for households. This concern was borne out in submissions, which offered overwhelming support for improved information for end consumers.

The submissions offered proposals around general information, including a plain English guide that would decode the concept of contestable services for consumers, and means of accessing them, whether on the website, through social media or other approaches. One submission suggested that this guide could provide:

'...education of what the Scheme is and the role DNSPs play in the successful implementation of the Scheme...The standard process needs to be described in a nice infographic flowchart from design, through to construction through to connection.'

Submissions from both ASPs and DNSPs regarded a significantly enhanced database as an essential means of improving the ability of consumers to select appropriate providers for the work they required.

Options: Consumer-focused education

Option	Involves	Analysis
Feasible		
Searchable database	<p>Improving current information to offer a searchable database that provided information on the following by ASP:</p> <ul style="list-style-type: none"> ▪ Volume and types of work ▪ Grade (and what grades mean) ▪ Geographic areas of service (not location) ▪ Performance data. 	<p>Supported by both ASPs and DNSPs. Would significantly improve the offering for end consumers, and therefore the achievement of Scheme objectives.</p> <hr/> <p>Importance: High Cost: \$ Time: ⬆️ Dependencies: Linked to changed systems.</p>
Plain English guide	A simple document outlining how the Scheme works, what's involved in designing and	Overwhelming support from submissions. A relatively simple approach that could form the basis for improved understanding.

	undertaking contestable works including the process, stakeholders and likely timeframes, and the Scheme's position in the broader electricity network.	<p>Would need to be linked to promotion activities (as per General Awareness below) in order to get reach.</p> <hr/> <p>Importance: High Cost: \$ Time: ★ Dependencies: Could be done immediately; may require refresh following Scheme update.</p>
General awareness	Improved information on the website, short video/s, social media presence, information sessions offered by DPIE. Potentially also promotion by DNSPs.	<p>Strong support for clear and easily understood material for consumers to improve their understanding of how to access contestable services. The specific means of promotion could be worked through by DPIE.</p> <hr/> <p>Importance: High Cost: \$-\$\$ Time: ★-★★ Dependencies: Requires additional resourcing.</p>

4.2.2 Applicant and participant-focused education

There was also broad support for the Scheme to improve enhanced communications with the industry. This is further discussed in section 2.4, in the context of customer service.

Good regulatory practice also considers the educational role that regulatory intervention can offer. That is, where action is taken against ASPs or registered employees for significant breaches of the Scheme requirements, the action can be publicised as a reminder to Scheme participants that there are consequences for non-compliance.

4.3 Enable—accredit, register

In summary

- Submissions and forums were generally keen to improve the requirements for accreditation and registration, with only three submissions suggesting that there was no need for change.
- Submissions proposed updates for training requirements and an expansion of the assessment of competence for accreditation.
- There were also suggestions about how to improve the currency of information for registered employees, accompanied by a reduction of duplication between registration and authorisation arising from improved information sharing.

The Scheme enables the participation of companies through accreditation, and individuals through registration. This section focuses on the requirements for accreditation and registration, rather than the process, which is addressed in section 2 Customer service.

There was a wide range of feedback provided as to how current requirements for accreditation and registration should be improved. The area of greatest concern was a need to update the training

requirements for all levels. Three submissions provided detailed and specific training proposals, while others raised issues around continued professional development, improved recognition of prior learning (RPL) and the training offered by DNSPs. Some submissions raised concerns about the initial assessment process, suggesting that it be strengthened to truly capture the requirements for a sound operator. For example:

“The current application process for prospective Level 1, 2, and 3 ASPs is outdated and needs to be enhanced to ensure that new ASPs are of a higher standard than is currently being Accredited. NECA has found that new ASPs can become accredited and still lack basic systems, equipment and processes needed to do contestable work safely. ASPs are “thrown” into the market and are left to fill gaps in safe systems of work, processes and QA after their initial accreditation. These gaps should be filled prior to gaining accreditation and not left to chance in the field.”

One issue raised in a submission and identified in the Review’s scoping activities was the issue of ongoing access to competent personnel, an issue which is discussed further in the consideration of the relationship between ASPs and competent individuals (section 3.4).

4.3.1 The accreditation process

Most submissions indicated a need to improve the accreditation process. The single most important issue was training, although other issues were also raised. The submissions made a wide range of proposals to update specific elements of the Scheme.

One issue that arose in two submissions and a number of forums was a perceived gap in the skills of newly accredited ASPs. A range of gaps, from work systems and project management approaches to the practicalities of the work required, were identified. DNSPs advised that they often stepped in to provide mentoring and support for new entrants. These issues may be valid but are outside the scope of the Scheme itself. The Scheme is structured on the assumption that there is a ready supply of appropriately skilled and qualified organisations and individuals. Broader market stewardship activities like mentoring and skilling up in general business systems sit outside the Scheme. We saw no evidence that any skill gaps were fundamentally impeding the Scheme’s ability to operate; however, DPIE may wish to review the overall support for the industry to ensure operations are sustainable.

Finally, one submission proposed that the accreditation period be extended, dependent on grade. At this stage, accreditation operates for an indefinite period, with the only annual requirement being to update insurance information.

Options: The accreditation process

Option	Involves	Analysis
Feasible		
Assessment of competence: training	Updating the training requirements for recognition of competence, as current requirements are out of date. In particular update the requirements for Class 2A.	Strong support. Should progress as a priority. Importance: High Cost: \$ Time: ✦ Dependencies: Benefits from access to improved advisory arrangements, which would need to be established.

Option	Involves	Analysis
Assessment of competence: other dimensions	Introduce new requirements to address gaps suggested by submissions, including requiring ongoing access to qualified employees (rather than subcontractors) and strengthening the fit and proper person assessment.	<p>There appears to be likely benefit from a brief review of competence assessment, including fit and proper considerations. The issue of requiring ongoing access to employees is further discussed in section 4.3.3.</p> <p>Importance: High Cost: \$\$ Time: ★★ Dependencies: Requires investment in IT systems, which may not be covered by the current Scheme funding.</p>
Somewhat feasible		
Assessment of management systems: safety	Updating and improving the requirements for ASP L2 applicants to demonstrate the existence and application of safety management systems.	<p>Submissions identified safety as a key value offered by the Scheme. There is minimal checking of ASP L2 safety systems in current processes and so scope to strengthen. However, to do so would introduce a costly change to assessment and so would need to be carefully weighed. Changes to reporting proposed in section 3.5 will assist in addressing this issue.</p> <p>Importance: High to address this issue, but may be assisted by proposals in section 3.5. Cost: \$\$ Time: ★ Dependencies: Requires additional resources to implement more intensive approach.</p>
Assessment of competence: RPL	Enhanced consideration of how prior learning, particularly on-the-job, translates to training requirements. May occur through RTOs or other training providers, although some suggest that DPIE determine pathways.	<p>Most trade-based education provides for entry through RPL pathways. DPIE would need to assess how this could be improved for accreditation. By contrast, assessment of experience against competency by DPIE is infeasible.</p> <p>Importance: Medium Cost: \$ to RTOs Time: ★ for RTOs Dependencies: DPIE to work with RTOs to assist the process.</p>

Option	Involves	Analysis
Infeasible		
Orientation	Introduce additional orientation to the requirements of undertaking the work, including a briefing and orientation on work practicalities.	This proposal moves beyond the Scheme boundaries into market stewardship activities. The Scheme is currently predicated on there being a ready market of qualified organisations and individuals. Outside Scheme boundaries.

4.3.2 The registration process

The Scheme operated for many years without a requirement to register individuals who performed work on or near the existing electricity network, on behalf of the ASP. The introduction of the registration requirement offered a clear pathway to establish competence; that is, competence is defined through appropriately qualified individuals. For that reason, the Scheme has required that individuals are registered with each of the ASPs they work with. Registration now includes both qualified individuals and unqualified unskilled personnel who are only able to work under the supervision of an ASP qualified for specific work.

In general, there was support for the continuation of registration of individuals, although one submission suggested that this requirement be removed. There was greatest concern in streamlining the requirement for multiple registrations and to ensure that registration status was readily accessible and current. In the words of one submission:

While there is value in the current Scheme, the fact that it does not fully assess the competencies of individuals is a major shortcoming in the registration process. The registration process would benefit from a full assessment and recognition of individual competencies at registration and then reviewed yearly for currency and activity. This would enable a suitably competent and active participant to be registered in a single approval to work across all networks, rather than being attached to an accredited business or entity having to satisfy three different sets of DNSP competency requirements. This effectively would reduce the financial cost, delays in getting individuals registered with multiple ASP's and increase the efficiency of the contestable process.

Concerns were also raised that there may be duplication between the process of registration and authorisation of individuals by DNSPs and in the way in which competence was established. One submission proposed that subcontractors not be allowed in the Scheme, presumably as a mechanism for ensuring continued competence of ASPs.

Proposals relating to the requirement for multiple registration are addressed in section 3.4.

Options: The registration process

Option	Involves	Analysis
Feasible		
Registration and authorisation information sharing	Introducing an improved database, from which current and complete information on registered individuals is provided to DNSPs, thereby reducing the demands for information from DNSPs.	<p>Provided registered individuals consent to information sharing, there is benefit from as much information as possible being shared between the Scheme and DNSPs to reduce additional demands on registered employees.</p> <hr/> <p>Importance: High Cost: \$\$\$ Time: ★★ Dependencies: Requires additional resourcing.</p>
Currency of registration^{viii}	Strengthening requirements for registered employees to maintain currency of information, including changes in competence and employment; ensuring the database is maintained so that information is always current.	<p>The currency of the database is imperative for Scheme success. Placing additional onus on individuals to update information could address this gap.</p> <hr/> <p>Importance: High Cost: \$ Time: ★★ Dependencies: Requires work with ASPs to ensure they update; links to consequences for ASPs that do not follow Scheme Rules.</p>

4.3.3 The relationship between accreditation and authorisation

The Scheme currently sets rules for the Department to accredit companies and register individuals. To then do work on the network, those companies and individuals must be authorised by the DNSPs, which have separate requirements, including annual refresher training. DNSPs are responsible for the safe operation of their portion of the network and each DNSP has a different approach to the categorisation of authorisations and the process for managing those authorisations. The design and operation of authorisation is out of scope of this Review, as noted in section 1.6.

Nevertheless, there appears to be an overlap in the requirements of accreditation and authorisation. Submissions and consultation forum attendees perceived significant duplication between accreditation/registration by DPIE and authorisation by DNSPs. The primary concern was a perception that both accreditation and authorisation asked for the same information, for example certification of training. Participants also raised concerns that they were required to complete or submit the same material multiple times where they work in the areas managed by different DNSPs (for example, refresher training).

ASPs suggested that were the Department to share the information it collected with DNSPs, some duplication would be eliminated. There are no consent provisions currently, but introducing some

^{viii} This issue is also addressed in section 4.4 Monitor—ongoing competence, who provides information, new audit process

could aid information sharing. Section 2.3 discusses approaches to improved administrative platforms including a common portal. ASPs asked for a single common database into which they could upload information, and which the Department and DNSPs could access. DNSPs also supported the concept of being able to access the information that the Department collected for accreditation and registration. Options to improve the interface between accreditation and authorisation are discussed in sections 4.4.2 and 2.3.

4.4 Monitor—ongoing competence, who provides information, new audit process

In summary

- There was an overwhelming view presented that ensuring ongoing competency is a current Scheme weakness in practice, and that it should be strengthened.
- A key driver was a desire for the industry to be recognised for its skill and performance, which required identifying and removing poor performers.
- Improving monitoring requires identifying where data will come from and ensuring the data is sufficiently robust for regulatory response, which some argued drives a need for a new audit and inspection program.

Initial accreditation and registration is largely predictive, in assessing the likelihood that a company or individual will be capable. The perspective of submissions was that competence was really derived from a combination of the skills, qualifications, systems and so on with the actual competence of the company or individual not being able to be fully assessed until they had delivered a body of work.

In that context, the overwhelming view presented in submissions was that ensuring ongoing competency is a current Scheme weakness. The view was that poor quality ASPs were reducing safety, affecting performance, increasing cost, and reducing confidence in the Scheme and ASPs overall. Submissions recommended a range of approaches to improve and strengthen this, which are presented in the options below. This was one of the key issues for participants and stakeholders, with only three submissions suggesting that no change was needed.

The submissions also addressed some mechanisms for enabling improved assessment of ongoing competence, including information sharing and information verification.

4.4.1 Ongoing competence

The forums repeatedly raised concerns about ASPs that were accredited for specific classes of work, but which had never or rarely completed work in that field. Participants argued that ASPs that had no experience could not be considered competent. For that reason, the chief desire was to establish a mechanism through which ASPs could demonstrate that they were active and their skills and knowledge remained current.

Submissions also recommended that annual training and Continuing Professional Development (CPD) be introduced in order to maintain and improve competency and to give ASPs and registered employees a means of demonstrating that their skills remained current. Submissions noted that the approach did not need to be onerous, but that it should focus on risk and safeguards, and be based on changes in prudential or regulatory matters, in addition to safety requirements or broader business competencies. One submission noted that this is increasingly in use in other Australian jurisdictions as well as New Zealand, and aligns with expectations in related industries. A number of submissions highlighted the importance of CPD courses being relevant, noting that not all were at the moment.

Organisational competence and grading are closely related.

Options: ongoing competence

Option	Involves	Analysis
Feasible		
Minimum work volume	A requirement for a pre-determined minimum level of work overall for company/ individual to maintain status. Could be specified by class or level.	<p>A simple relatively low-cost metric, although some noted that jobs are not of an even size. Specifying job numbers by class or level could improve this metric. Even job numbers would indicate activity, which could serve as a proxy for competence.</p> <hr/> <p>Importance: High (partial solution but easiest and low cost) Cost: \$ Time: ★ Dependencies: Links to changes in Scheme Rules.</p>
Somewhat feasible		
Performance framework	Assessment of work by its outcomes, against three factors: safety; quality; and competency. Relies on information provided by DNSPs. This could also inform grading of ASPs within the Scheme.	<p>Such a framework would have a close relationship with the core intent of the Scheme. Including measures of non-conformances indicates quality; however, this approach may cross into work performance rather than competence.</p> <hr/> <p>Importance: Medium Cost: \$\$ Time: ★★ Dependencies: Requires collaboration between the Scheme and DNSPs as the latter are responsible for performance assessment of ASP work.</p>
Work type	Linking work types to competence, with a requirement for specific types (and possibly values) to be completed in order to maintain status.	<p>Potentially simple, if work volume were reported by class. Increasing the types of data collected, such as work value, could unnecessarily increase complexity.</p> <hr/> <p>Importance: Medium Cost: \$\$ Time: ★★ Dependencies: Linked to changes in Scheme Rules, particularly regarding ongoing competence.</p>
Continuing professional development	Introduce a requirement for CPD as part of ongoing registration, with expectations proportionate	<p>Strongly supported and likely to have flow-on benefits for participants.</p>

Option	Involves	Analysis
	to the work conducted. Courses could be sourced from RTOs, educational institutions like TAFE and DNSPs.	<p>One proposal encouraged the Scheme to offer training. While this could strengthen relevance, on balance it is better if the training is offered through an RTO.</p> <hr/> <p>Importance: Medium Cost: \$\$ Time: ★★ Dependencies: Benefits from access to improved advisory arrangements.</p>
For consideration		
Time period	Given the variation in size of work, the time period for assessment of competence is also important. Key suggestions were a re-assessment on a rolling 12-month or 3-year cycle.	<p>Undertaking assessment of competence will improve outcomes but also increase the workload and, hence, cost of the Scheme; the time period chosen must be practical.</p> <hr/> <p>Requires further assessment to optimise value.</p>

4.4.2 Collecting information

There is a close relationship between the role of the Scheme and that of authorisation by DNSPs. In essence:

- The Scheme is responsible for ensuring accredited organisations and registered employees are competent for the work to be undertaken, including having the skills and systems to support the work.
- Authorisation is responsible for inducting accredited organisations and registered employees into the work practices of the DNSPs, and then assessing the work to make sure it is compliant.

That is, the Scheme is focused on competence, while authorisation practices are focused on compliance and performance. These are closely related concepts. If an ASP, for example, repeatedly does not perform in accordance with network standards, then it could be considered to not be competent. So, the Scheme does have an interest in the pattern of performance of an accredited organisation or a registered individual, but not in their performance on individual jobs.

In this context, all DNSPs recommended a ramped-up approach to monitoring the competence of ASPs and registered employees, which they considered could be encompassed in a performance management framework. For DNSPs this would involve the standardisation of information collection on ASPs and registered employees and a sharing of information with other DNSPs and with the Scheme. This information might then feed into ongoing assessment and other compliance and enforcement activity.

Submissions from both DNSPs and ASPs noted that the Scheme would need to consider the extent to which the information provided by DNSPs is verified. There was strong support for a DPIE-conducted program of scheduled inspections and assessments of management and safety systems, as well as to what extent those systems were adhered to in work practice, in order to ensure competence and safety amongst ASPs. Those assessments were variously suggested to be conducted as self-assessments, assessments by external assessors engaged by the ASPs or by DPIE.

Options: Collecting information

Option	Involves	Analysis
Feasible		
Information sharing by DNSPs	Building on the existing information sharing provisions to calibrate the approach between different DNSPs with an aim to harmonise how work is assessed. DNSPs would monitor ASP performance and provide regular reports to DPIE for consideration in reassessment and compliance and enforcement activity.	<p>There is a great depth and range of information collected by DNSPs which could augment that provided by ASPs and accessed directly by DPIE.</p> <p>Increased alignment would assist by removing some of the weakness of this information currently, and so could increase its reliability for a regulatory Scheme.</p> <p>It is critical that the Scheme does not become an arbiter of performance on individual jobs.</p> <hr/> <p>Importance: High Cost: \$\$ Time: ◆◆ Dependencies: Requires collaboration between the Scheme and DNSPs; likely requires investment in system changes.</p>
Self-assessments	Introducing a requirement for annual returns from ASPs including data on performance, safety systems and competence. This might include self-assessments of key systems (such as safety systems) against a template established by the Scheme. The assessment results would be submitted with the annual accreditation update.	<p>A simple, low-touch/low-cost approach that keeps safety and other systems front of mind for ASPs. This approach should incentivise good performance and provide key information for grading or other activities.</p> <hr/> <p>Importance: High Cost: \$ Time: ◆ Dependencies: Development of supporting materials.</p>
Somewhat feasible		
Third-party assessments	The ASP engages a qualified third party to assess key systems on a regular (say every 3 years) basis or in response to a request by DPIE.	<p>Moderate cost to ASPs, but of greater validity than a self-assessment. Might be combined with self-assessments to validate the submissions, for example annual self-assessments + triennial third-party assessment. Also appropriate to respond to DPIE-identified risks or concerns.</p> <hr/> <p>Importance: Medium Cost: \$ to DPIE, \$\$ to ASPs Time: ◆ Dependencies: Requires consideration of</p>

Option	Involves	Analysis
		how to design to maximise impact and minimise ongoing cost.
DPIE scheduled inspections and assessments	A risk-driven program of inspections to 'audit' activity by ASPs on the ground. Section 3.5 also considers this as a means of strengthening safety.	<p>A key step in assessing the level of safety concerns. It might commence as a time-limited program to assess the nature and level of issues, and to inform future decisions about whether the program becomes permanent. There may be further benefit from the information collected, which will need assessing.</p> <hr/> <p>Importance: High Cost: \$\$\$ Time: ★★ Dependencies: Requires additional funding to develop and implement; dependent on building risk profiles.</p>

4.5 Act—regrading, escalating responses, enforcement and appeals

In summary

- Continuing from section 4.4, compliance and enforcement activity responds to indications that ASPs or registered employees are not competent.
- These issues were raised in fewer submissions, but were the subject of intense discussion in some forums and a limited number of submissions. They are also fundamental to good regulatory practice.
- Grading—and regrading—is an important building block because it currently aligns with incentives like fees, and so a refresh is strongly supported.
- Enforcement activity through suspension and cancellation is already part of system design, but could be bolstered in practice.

The Monitor stage dealt with the collection of information; the Act stage considers what responses are appropriate to the information collected. This issue was taken up by fewer submissions and forums, but where it was raised there was an intensity of view. This section considers three key issues:

- Grading and regrading, including what prompts upgrading and downgrading
- Regulatory responses, specifically suspensions and cancellations
- Appeals and oversight activity.

Each compliance and enforcement activity would need to be clearly described in publicly available regulatory policies.

4.5.1 Grading

The most important Act element currently present is the grading and regrading of ASPs. Grading is important because it determines the fees that an ASP must pay. It could also be an important element of consumer choice, if the information were clearly available. ASPs can now request a regrading where they have grounds to believe that they can achieve an upgrade. While downgrades are possible, as

observed in some forums, there appear to be few instances in which ASPs are actually downgraded. Submissions and forums were keen to see a greater connection between competence and grading. This extended to proposals about new grading structures to better accommodate new entrants. There were a range of detailed proposals on how to improve grading, including adopting a bronze, silver, gold ranking.

Options: Grading

Option	Involves	Analysis
Feasible		
Initial grading	Amending the current three-level system (ABC) to introduce a 'Provisional' category, to indicate a new entrant. Fees might align to those of a C grade. Note a desire by some for bronze/silver/gold categories as an alternative.	<p>There is good logic in introducing a provisional category, where a participant's competence is confirmed after a period of time. This approach would serve to strengthen messages on the need to undertake work in order to maintain competence. Aligns with proposed requirements for minimum job numbers.</p> <hr/> <p>Importance: Medium Cost: \$ Time: † Dependencies: May be connected to the information connected and considerations of ongoing grading.</p>
Regrading/ downgrading in response to other issues	A reassessment may be triggered by significant performance material provided by DNSPs or arising from the targeted inspection/audit program proposed above. Requires clear policies to guide activity and subject to appeal. There is also an option for a time-limited downgrade subject to a rectification plan.	<p>It is logical that there be a connection between grading and any significant issues arising from monitoring activity. This option gives DPIE a pathway for aligning grades with competence—particularly for downgrading—and is in line with the Scheme design. Note that downgrading then becomes the lowest level enforcement activity.</p> <hr/> <p>Importance: High Cost: \$ Time: † Dependencies: Dependent on resolution of the overall approach to information collection and grading.</p>
Somewhat feasible		
ASP-initiated regrading	As per the current process, ASPs prepare material to demonstrate their improved performance, in line with new grading policies.	<p>ASPs are closest to their own performance, and this approach leaves ASPs in the driving seat. As there are incentives to improve grading, we could expect that this approach would drive improved performance.</p>

Option	Involves	Analysis
		Importance: Medium Cost: \$ Time: † Dependencies: Requires development of new grading policies.
Regrading arising from reassessment	This Position Paper notes proposals for an annual or other periodic reassessment of ongoing competence for accreditation. (Re)grading could be considered as part of that process.	Provided there were clear guidelines about expectations this approach could encourage ASPs to maintain or improve competence. We note that there would be a high volume of work for DPIE associated with a rigorous annual reassessment and suggest that this frequency may not be proportionate for the benefit involved. Importance: Low Cost: \$\$\$ Time: † † Dependencies: Requires resolution of data sources and development of new grading policies.

4.5.2 Regulatory responses: suspensions and cancellations

The second element raised was a desire for a clear response to activities that indicate a lack of competence. In addition to regradings, discussed above, the Scheme currently has the capacity to suspend and cancel accreditation and registration, although there are no guidelines to participants to clarify on what grounds these would occur. This is an important part of a regulatory framework. DNSPs, in particular, requested a clear policy on what would trigger a suspension and a cancellation. The imposition of new financial penalties was also suggested for significant breaches.

Options: Regulatory responses

Option	Involves	Analysis
Feasible		
Regrading	As noted in 4.5.1, regrading is the first response in an escalating regulatory framework.	An essential tool that can be used to good effect. If well designed, a low-cost activity. Importance: High Cost: \$ Time: † † Dependencies: There is legislative provision already, but requires a policy approach
Removal of ASP accreditation for specific	The regulatory framework is amended to permit the Scheme regulator to limit the types of	This is a proportionate action that addresses specific areas of competence, and offers

Option	Involves	Analysis
classes or types of work	work the ASP can perform in response to demonstrated and significant breaches and non-compliances associated with specific classes.	more nuance than overall suspension and cancellation. Importance: High Cost: \$ Time: ★★ Dependencies: There is legislative provision already, but requires a policy approach.
Suspensions	As per the current process, ASPs prepare material to demonstrate their improved performance, in line with new grading policies.	Currently permitted within the legislation and should be preserved. Requires the development of regulatory policy to support. Importance: High Cost: \$\$ Time: ★★ Dependencies: There is legislative provision already, but requires policy settings to make operational
Cancellations	In response to significant breaches or patterns of incidents ASPs would be de-accredited. Performance reports from DNSP inspections as part of regrading provision could be considered as part of that process. Care would be required to preclude new applications for accreditation from related parties under a different company name.	Currently permitted within the legislation and should be preserved. Requires the development of regulatory policy to support. Importance: High Cost: \$\$ Time: ★★ Dependencies: There is legislative provision already, but requires policy settings to make operational
Infeasible		
Financial penalties	The regulatory framework would be amended to permit the Scheme regulator to issue financial penalties for significant breaches.	It is unclear how financial penalties would offer a benefit over the other measures already in place or proposed, as there is—in effect—a financial penalty associated with downgrading or loss of work. Importance: Low. Other mechanisms exist and have the same effect. Cost: \$\$\$ Time: ★★ Dependencies: Requires legislative amendment.

4.6 Influence

In summary

- The Department can contribute to a more robust regulatory environment by working through influence with key partners.
- Submissions highlighted a range of issues that are not within the scope of the Scheme, but which could be addressed through influence, including training offerings and the DNSP interface.
- The Department is well placed to build a more complete understanding of the operating environment, its pressures and emergent needs, which could lead to targeted offerings by others and improved coordination of regulation.

Complete regulatory frameworks usually consider not just the direct delivery of the process of entry, monitoring and compliance and enforcement, but also the robustness of the system itself. Typically these are given effect through the influence of the regulator.

Submissions raised a range of issues that might be addressed through influence, rather than directly through the Scheme. For example:

- There was a significant focus on the need for relevant training offerings, both for those seeking to be accredited and those wanting to remain up-to-date with industry issues and best practice
- There is a web of connected regulation affecting the ASP industry, with DPIE, Fair Trading and SafeWork all having a role to play
- The Scheme relies on having a ready supply of providers in an existing market, and the number of ASPs and registered employees suggest that there is a market. However, the consultations and forums raised concerns that despite the market as a whole appearing robust, there were thin markets now (for example in some regional locations) or into the future (for example for ASP L3s), which might require some kind of intervention. Forums observed that consumers may still experience significant delays and increased costs from a lack of accredited providers.
- Concerns about the interface between the Scheme and authorisation activities of DNSPs. DNSPs operate as fully independent entities and are not subject to the direction of the Scheme, but the Department is in a position to observe issues and raise them with DNSPs.

Options: Influence

Option	Involves	Analysis
Feasible		
Liaison with other regulators	Regular engagement with Fair Trading and SafeWork to exchange information on system changes; establish exchange of information protocols regarding individual ASPs/registered employees to improve the regulatory environment.	<p>A coordinated regulatory environment minimises red tape. Discussions across government should improve coordination. Exchange of information may offer benefits but would require a cost-benefit analysis.</p> <hr/> <p>Importance: High Cost: \$ for initial discussions; \$\$ for action Time: ⬆️ Dependencies: None for initial discussions.</p>

Option	Involves	Analysis
Addressing market failure or thin markets	Identifying where the market is currently not adequate and taking action to boost participation. This might involve working with RTOs, NECA, or other government agencies to establish training pathways and ensure coverage.	<p>Market failure or thin markets have not been definitively demonstrated. There may be value in the Department developing a greater understanding of the extent to which there are market concerns into the future.</p> <hr/> <p>Importance: Low Cost: \$\$ Time: ★★ Dependencies: Requires data collection to establish market concerns. DPIE access to resources.</p>
Training	<p>For qualifications, working with universities or further education institutes as well as industry bodies to promote access to relevant training.</p> <p>For ongoing training, gathering intelligence on emerging issues which would highlight additional training needs, and then working with industry bodies and RTOs to shape offerings.</p>	<p>The Department is uniquely placed to identify issues emerging across the sector. Capturing these issues and sharing them with relevant bodies in an annual or semi-annual forum could offer significant benefit for little cost.</p> <hr/> <p>Importance: Medium–Low Cost: \$\$ Time: ★★ Dependencies: DPIE access to resources.</p>
DNSP interface	Working closely with DNSPs to ensure the interface between accreditation and authorisation is as seamless as possible for participants.	<p>There is strong stakeholder support for this to happen. This response aligns with a range of proposals.</p> <hr/> <p>Importance: High Cost: \$ Time: ★★ Dependencies: DPIE access to resources.</p>

4.7 ASP Level 3s

In summary

- There was strong agreement that the approach to ASP L3s needed to be overhauled. The underlying concern was that there was not a sustainable pathway for new ASP L3s to enter and attain mastery in the industry.
- At minimum, an update to qualifications for entry is needed. There is strong support for more nuanced and tailored pathways indicating expertise and experience.
- There was also strong support for changes in the way competence is assessed once ASP L3s are undertaking projects.

The issues being raised for ASP L3s are similar to those for the overall Scheme, but there was a much greater intensity of concern. Indeed, one submission suggested that this was the single most important issue to address in the review.

Submissions presented a wide range of concrete and specific proposals addressing the qualifications required for entry, the need for pathways to progress expertise, the introduction of assessment and grading (to parallel the approach for ASP L1 and 2s) and potentially the introduction of new classes of work^{ix}.

4.7.1 Accreditation and qualifications for entry for ASP Level 3s

Both DNSPs and ASPs strongly supported change to entry qualifications. For some the focus was on greater clarity on the qualifications needed for different types of work while for others the concern was the difficulty of achieving accreditation under the current requirements. Some ASPs note that the pathway was extended, specifically as the requirement for National Engineering Registration (NER) was a major delay as it in turn required 5 years of post-graduation experience.

The first priority appears to be to update the entry requirements. There is some difference of view as to the appropriate qualifications required for design work, although most agreed on electrical theory for all design, plus some mechanical knowledge for overhead work. Any new requirements need to accord with the national Transmission, Distribution and Rail Sector Training Package (UET 12, current release 2.0, September 2021)

Some submissions were very detailed in their proposals, such as the following material from Ausgrid.

Review of available relevant training and requirements for accreditation and registration of designers enabling entry of new market participants. Minimum course qualifications should be established based on current availability of courses. Minimum requirements can be based on the current industry workforce and best practice.

Potential training options may include, but not limited to:

UET60219 - Advanced Diploma of ESI - Power Systems; or

UEE62220 - Advanced Diploma of Electrical - Engineering

UEE63020 - Advanced Diploma of Electrical Systems Engineering

The intent of the minimum course qualification would set the baseline for the technical electrical knowledge relevant to ASP L3 design work. These would need to be supplemented by specific compulsory electives relevant to the class of accreditation.

Compulsory electives may include:

^{ix} Classes of work as a whole is discussed in section 3.3.

UETDRDS38 - Design power system public lighting systems
 UETDRDS36 - Design underground distribution power systems
 UETDRDS39 - Prepare and manage detailed construction plans for electrical power system infrastructure
 UETDRDS32 - Draft and layout a power system underground distribution extension
 UETDRDS33 - Draft and layout a power system street lighting system
 UETDRDS35 - Design overhead distribution power systems
 UETDRDS34 - Draft and layout a power system distribution substation minor upgrade
 UETDRDS37 - Design power system distribution substations
 UETDRDS45 - Organise and implement ESI line and easement surveys
 UETDRDS31 - Draft and layout a power system overhead distribution extension

The issue currently faced is that while RTOs have these Advanced Diplomas on scope, the electives offered by RTOs do not include those listed above. This restriction in available training limits the entry pathways for workers looking to enter the ASP L3 market or for ASP L3 companies to build their workforce.

ASP concerns about the requirement for registration with Engineers Australia meant that there was a long lead time to being able to enter the Scheme, effectively creating a Catch-22 situation in which they were not qualified to work, but needed to work to become qualified.

These views were summarised in one ASP's submission (*edited for clarity and length*):

There are 3 alternate criteria to gain Level 3 accreditation:

Criteria 1: Professional qualifications

Criteria 1 imposes a significant cost on either employers or employees by mandating registration with Engineers Australia. It is my belief that a candidate that has completed suitable tertiary education within the electrical field, such as a Bachelor's degree in Electrical Engineers, should be able to gain accreditation without Engineers Australia membership.

Criteria 1 also dictates a minimum of 12-months experience in designing electricity systems, however this is difficult to attain without at least a 'Provisional' accreditation.

I would recommend Criteria 1 remain however be adjusted to remove the Engineers Australia registration. It should also be adjusted to provide a provisional accreditation for the first 12 months which can then be reapplied for full accreditation after 12 months.

Criteria 2: Industry specific training qualifications

Criteria 2 provides an Industry Training based accreditation pathway which is important to the Level 3 industry. The challenge is the DPIE will only accept the UET60212 course which is no longer offered by any institutions. Institutions list this course as being superseded however the DPIE does not recognise the new courses. This requires immediate attention. We currently have multiple staff await resolution of this so they can enrol, gain accreditation, further their careers and the industry.

Criteria 3: Industry Experience.

Criteria 3 provides a mechanism for accreditation based on Industry experience. This is a required and often default pathway for accreditation. Pressure needs to be placed on the DNSP to be aware that this is part of their duty. We have experience resistance from DNSP's [named] to provide a letter for an employee of ours. This employee had been a dedicated

ASP L3 in house designer for over 5 years and worked on hundreds of designs with [named DNSP]. He was well known to the individuals.

The entry requirements are linked to pathways that may be established for progression, and which are further discussed in section 4.7.2 below.

Options: Accreditation and qualifications for entry for ASP Level 3s

Note: these options are not mutually exclusive.

Option	Involves	Analysis
For consideration*		
Bachelor's degree	Requiring an appropriate Bachelor's degree, such as in Electrical Engineering.	Widely supported, although some note that the electives may also require tailoring for the work. Importance: Addressing the issue of training is high.
Advanced Diploma	Requiring that individuals with trade qualifications and on-the-job experience complete an appropriate Advanced Diploma to ensure appropriate training.	Pathways through experience plus additional qualifications are common in many industries. Importance: Addressing the issue of training is high.
On-the-ground experience	Two variations. There were calls for individuals with on-the-ground experience to be recognised as having the skills for accreditation. This might be through enhanced RPL in a degree or diploma, or against other assessment criteria. There were also calls for ASP L3s to have had domain-specific knowledge from some time in design/field work to understand the implications of good and bad design.	Recognition of experience through RPL in formal RTOs or other educators should be encouraged where it is not present. The development of other mechanisms to assess experience is more complicated and will need to be weighed up by the final governance body for the Scheme. Recognising and rewarding field work is important and will link to pathways. Importance: Addressing the issue of training and pathways is high.

* These options should all be considered when updating ASP L3 pathways. They are not analysed for cost, time and dependencies in this Review.

Option	Involves	Analysis
Requirement for industry membership	Continue to require membership of Engineers Australia as pre-requisite for accreditation OR for progression through pathways.	<p>Third party recognition of detailed skills and experience is well regarded. Introducing tailored pathways may attend to the perceived time delays.</p> <p>Importance: Addressing the needs of qualification for entry is high.</p>

4.7.2 Pathways to grow the market and reflect expertise of ASP Level 3s

There was strong support for improved pathways to grow the market of ASP L3s, with only three submissions indicating that no additional pathways were needed as the market was already robust.

The reasons for requiring new pathways were discussed in several submissions. They related to the difficulty and long time required to meet the high bar in the current accreditation requirements, and the need for competent designers to gain technical experience, formal education, and experience in order to do safe and competent design work. Designers also require specialist skills and expertise for more complex design works. One submission indicated that 6 months field experience was required in order to understand how the components work together and to understand risk and safety requirements. In particular, submissions identified ways that new graduates or trainees could be accommodated.

There were three main proposals for new pathways:

- Creating a **provisional registration** for cadets or trainees to allow new designers to gain experience and for their performance to be recognised prior to moving to full registration
- Creating **two types of registration** based on the complexity and technical expertise required: Professional Engineer who can undertake designs for Zone and Transmission Subs, and Sub-transmission and Transmission Mains), and Engineering Officer that only allows distribution ASP L3 Design works.
- **Tiered levels** based on experience and linked on the ability to supervise and sign off on designs.

One proposal outlined a pathway of tiered registration levels, summarised as:

- **Apprentice:** Inexperienced, guided by a senior designer.
- **Competent:** Able to design most underground and overhead OH projects, subdivisions including padmounts and kiosks without major design non-conformances, identified by DNSP or construction. Three years' experience, 30 designs completed.
- **Senior/skilled:** Able to design larger complex projects, such as substations with undergrounding and lighting over a larger area, RMS road designs, projects with long bores or environmental constraints, tricky property issues, heritage, pit designs and extensions etc. Three years to gain additional skills, completed 30 designs including chambers or sub transmission without major design non-conformances identified by DNSP or construction.
- **Specialist:** For example, Designer can place a chamber with a standard equipment layout into a building. Complete six designs – of either Standard surface chamber (Ausgrid)/ Indoor (Endeavour Energy)/ chamber (Essential Energy). Designer has qualification which will allow them to be registered *Design and Building Practitioners Act 2020 No 7* for class 2 building construction.

Options: Pathways to grow the market and reflect expertise of ASP Level 3s

Option	Involves	Analysis
Feasible		
Provisional status for ASP L3s	Recognising new entrants or less experienced designers as Provisional, coupled with a requirement that provisional designers work under fully qualified designers.	<p>Widely supported. Addresses the most difficult aspect of current arrangements.</p> <hr/> <p>Importance: High Cost: \$ Time: ✦ Dependencies: Requires consideration in the full context of Rules update.</p>
Somewhat feasible		
A more complete pathway that reflects expertise of ASP L3s	Picking up on proposals such as the apprentice—specialist pathway outlined above. Connects skill and title with demonstrated expertise and experience. Would introduce thresholds to progress between one level and the next, probably based on qualifications, CPD, and relevant experience.	<p>A strong approach that would provide for progression, support external recognition and likely assist consumers in identifying the right ASP L3 for their work. Likely goes beyond what might be required by a light-touch regulatory framework, and potentially complex to administer. Possible action by other market stakeholders. Note, this pathway is appropriate for registered designers rather than for ASPs themselves.</p> <hr/> <p>Importance: Medium Cost: \$\$\$ Time: ✦✦✦ Dependencies: Requires resourcing and careful consideration.</p>

4.7.3 Performance assessment and information gathering for ASP Level 3s

There was strong support for the introduction of grades that reflect competence levels, although there was not clear agreement on the right way to calibrate the grading such that it recognises the diversity and complexity of Level 3 projects as well as the current dynamic of working with DNSP certifying officers.

Many submissions made suggestions for possible metrics including:

- Volume of works
- Capital value of works
- Certification rejections
- Re-certifications due to poor design
- Defects due to poor design
- Changes to ‘as-constructed’ drawings due to mistakes

- Revisit of projects due to poor design.

However, submissions also raised concerns about the limitations of most of these metrics. For example, volume was an easy metric to measure but some large complex jobs take much longer; those working on such jobs might be disadvantaged by a volume metric.

One of the key concerns raised by ASPs was the method by which information for grading or other performance assessment was collected. There was extensive commentary on the need for those assessing design work to be adequately qualified (as qualified as designers, in the view of some) to appropriately understand and assess complicated work. The forums discussed the difference between compliant work (which meets standards) and design preferences (how the standards are turned into a design), and suggested that sometimes assessors raised minor non-conformances on the basis of design preferences rather than non-compliances.

Options: Performance assessment and information gathering for ASP Level 3s

Option	Involves	Analysis
Feasible		
Grading system for ASP L3s	Introducing a grading system of some kind to reflect competence. The two main suggestions were an ABC or gold/silver/bronze system. Couple with provisional status.	<p>Widely supported. Likely more complicated to administer than the system applied to Levels 1 and 2, albeit for a smaller number of ASPs. The introduction of a provisional grade alone would assist. May be difficult to determine a clear and easily administered basis for grading.</p> <hr/> <p>Importance: Medium Cost: \$-\$\$ Time: ♦♦ to ♦♦♦ Dependencies: Requires development of an approach to assess ongoing competence.</p>
For consideration		
Basis for grade assessment for ASP L3s	<p>Introducing standard measures to assess competence as reflected in work quality. Proposals include:</p> <ul style="list-style-type: none"> ▪ Number of (minor) non-conformances per class ▪ Activity level (# services per class) ▪ Amount of rework ▪ Performance must be assessed across a number of jobs 	<p>A set of standard measures, coupled with some scope for interpretation given the significant range in job size and type, seems reasonable. The detail would need to be resolved through the governance mechanism.</p> <p>The relationship between the work of individual registered designers and that of the ASP will need to be resolved.</p>

Option	Involves	Analysis
	<ul style="list-style-type: none"> ▪ Results from competency checks e.g. audits <p>Log of works maintained by individual registered designers.</p>	<p>Importance: Medium Cost: \$ to develop Time: ★★ to develop Dependencies: Benefits from input from updated advisory arrangements.</p>
<p>Information collection for ASP L3s</p>	<p>Options include:</p> <ul style="list-style-type: none"> ▪ Strengthening the already extensive information collected by DNSPs so it is more aligned, possibly accompanied with common initial and refresher training for certifying officers ▪ DPIE conducting audits to validate the information submitted by DNSPs ▪ Forum in which each part (DPIE, DNSP and registered designer/accredited company) submits evidence to obtain grading by mutual agreement. 	<p>If gradings are desired, then information collection needs to be strengthened. The information already collected by DNSPs is extensive, but based on submission feedback requires some standardisation for reliance for regulatory purposes. Having DPIE audit design submissions and responses is both costly and requires acquisition of specialist expertise for likely low returns. A forum may yield nuanced results, but is an extremely costly mechanism when the overheads of preparation and attendance are considered.</p> <hr/> <p>Importance: Addressing information collection is high. Cost: \$\$ – \$\$\$ Time: ★★ – ★★ Dependencies: Builds on information collection activities for ASP 1 and 2s. Links to harmonisation of information by DNSPs.</p>
<p>Incentivising improvement</p>	<p>Aligning AER fees to the ABC (or other) grade of ASP L3s. This is similar to the current approach for ASP L1 and 2s.</p>	<p>Outside the scope of the Review. However, alignment of fees with grade would be consistent with the current Scheme design.</p> <hr/> <p>Importance: Medium – Low Cost, time and dependency not addressed as outside the scope of the Review.</p>

5 Ongoing governance of the regulatory framework

5.1 Overview

This section addresses the issue of how to keep the Scheme up-to-date. Key issues are:

- Which elements are reviewed
- How often they require review
- The advisory arrangements that bring the necessary expertise to updates
- Provision for funding, including through fees
- Accountability mechanisms.

5.2 Regular review and update

In summary

- The submissions and the forums both expressed broad support for regular Scheme review.
- The proposals recommended that reviews consider the performance of the Scheme against its stated objectives, governance arrangements and the effectiveness of the Scheme's management.
- There was no agreement on the timeframe for review, although it will likely require tailoring for specific elements.

Scheme administration and governance will need to make provision for regular review and update into the future. There are many aspects that require review. As one example, the course numbers in the Rules are now out of date and require updating. Submissions and forum participants noted the complexity of connections with the AER review, the need for time to implement and bed down change before commencing a further round of change, and the need to respond to emerging and unexpected industry issues. One submission emphasised the need for regular monitoring to understand the impact of Scheme changes.

The requirement in s26 of the Act that the Minister make the Rules may impede nimble responses; there is significant precedent in other areas where similar powers are located with the Secretary. A change to this effect would support the planned reform and future review.

Options: Regular review and update

Option	Involves	Analysis
Feasible		
Formal, scheduled review of the overall Scheme	Considering the performance of the Scheme against its stated objectives and the changed operating environment and identifying changes required.	<p>Strong support for regular review. Most submissions leaned towards a longer period of every 3-5 years. A longer period is needed to give time to develop, implement and assess the effectiveness of changes.</p> <hr/> <p>Importance: High Cost: \$ Time: ★★ Dependencies: DPIE access to resources.</p>

Option	Involves	Analysis
Training requirements	A scheduled review once every year or every two years (respondents were split) to adjust training expectations	<p>Training offerings have changed and continue to change; regular review is essential. There is no 'correct' duration for such a review, but it could be tested annually and stepped back to biennially if needed.</p> <hr/> <p>Importance: High Cost: \$ Time: ★ Dependencies: Benefits from access to improved advisory arrangements, which would need to be established.</p>
Somewhat feasible		
Responsive assessment	Monitoring the external environment to identify issues that might affect Scheme currency and effectiveness. Issues proposed include engagement, emerging or declining markets, and the relevant number of inspections needed as the industry (and work volumes) change.	<p>Looking backwards, there have been points where the regulatory environment changed (for example, with metering) and which affected the Scheme's operation. A practice of responsive review would avert lags in future.</p> <hr/> <p>Importance: High to address the issue, but less feasible than first option. Cost: \$\$ Time: ★★ Dependencies: Benefits from access to improved advisory arrangements, which would need to be established. Requires dedicated staff attention, which will need to be weighed up against other priorities.</p>
Categories of work	A scheduled review of the categories of work that fall within the Scheme. Whether annually or biennially.	<p>There is a high overhead to the systems of participants, DNSPs and government in amending categories, as well as time required to assess the need for and implement change. A longer period may be more appropriate given that responsive assessment (above) would pick up unexpected significant changes.</p> <hr/> <p>Importance: High to address the issue, but less feasible than first option. Cost: \$\$ Time: ★★ Dependencies: Requires investment in IT systems, which may not be covered by the current Scheme funding.</p>

5.3 Advisory arrangements

In summary

- The submissions and consultations recommended that a range of advisory arrangements be considered.
- However, proposals were split between ad hoc consultative forums and more structured governance arrangements and, in one case, reformed governance extending beyond the Scheme to the industry more broadly.
- There are benefits from both ad hoc and ongoing arrangements; ultimately a combination of the two may be of use.

Stakeholders collectively recognised the high level of diversity in the industry, in terms of geographic distribution, company size, and type of works undertaken. This gave rise to broad support for larger advisory groups that provided the opportunity for a wide range of views to be discussed and shared.

However, submissions were split between a regular governance forum that could bring a rounded perspective to Scheme administration, one which could build collective expertise, and ad hoc consultative forums that would focus on specific issues or industry segments.

There was strong agreement that to be effective, the Scheme administration needed to tap into the collective stakeholder expertise so elements remained current and supported the participants.

There appears to be a core role for the preferred consultative governance forum, including:

- Monitoring classes of work to ensure they remain relevant and responsive to industry and technological shifts, and providing advice on how to amend them including entry requirements and the ongoing implications of changes
- Updating training requirements and ensuring they remain current into the future
- Providing advice on other aspects of Scheme operation, including policy settings and procedural amendments.

A range of additional potential roles were also proposed including:

- Formally monitoring performance of the administration of the Scheme
- Identifying gaps and improvements relative to the Scheme
- Identifying industry needs
- Formulating longer term change and review of Scheme directions
- Monitoring and managing issues with contestable works
- Accessing specialist advice where necessary.

Options: Advisory arrangements

Option	Involves	Analysis
Feasible		
Ongoing advisory body	A formally established advisory body that meets periodically to provide advice on a range of issues. The TOR would focus on issues with a significant impact on	An ongoing body has the potential to build expertise and see the connections between different issues. If well established, could tackle a wide range of issues over time.

Option	Involves	Analysis
	the Scheme. Representative of key segments with provision for additional expert members. Representation could include ASPs (1,2,3), DNSPs, RTOs, peaks, consumer reps.	Importance: High Cost: \$\$ Time: ★★ Dependencies: A formal governance advisory body is subject to broader NSW Government agreement. Requires resources to support. Underpins advice on most reforms.
Ad hoc consultative forums	Convening industry representatives and experts on an individual issue basis. Representation would change from issue to issue.	Useful for gaining wide input into specific issues, but not for ongoing advice. Informal forums can be convened by DPIE without broader government involvement. Lower time and cost to establish than an ongoing advisory body, but inferior in ongoing advice provision. Importance: High to address the issue. Cost: \$ Time: ★ Dependencies: Requires dedicated staff support, which will need to be weighed up against other priorities.
Infeasible		
Governance Board	A formally established governance board that makes decisions about the operation of the regulatory function, including decisions about de-accreditation. Populated with independent experts, rather than representatives.	Does not really address the key issues of concern, that is how to bring the Scheme to current requirements and to foster resilience into the future. Decisions about the regulatory functions rest with the DPIE Secretary, and so no additional independence is needed. Importance: Low Cost: \$\$\$ Time: ★★★ Dependencies: Would require broader NSW Government support, which would be unlikely.

Ultimately a combination of a new ongoing advisory body plus ad hoc consultative forums—such as were convened in the course of this Review—to test specific issues may provide a balance for the Scheme. The first priority would be to scope and oversight implementation of the relevant work identified from this Review. The final set of responsibilities will be subject to the forum selected, the Terms of Reference established and the scale of the work program arising from this Review.

5.4 Fees

In summary

- There was a diversity of views about the best approach to funding Scheme enhancements, with broadly equal support for: assessing costs and setting fees accordingly; DNSPs making a contribution; and funding by the NSW Government of the enhancements required.
- Any increase in fees must be linked to immediate improvements in Scheme administration.
- At minimum, fees should be reviewed and updated annually, against an agreed benchmark.

There is general agreement that additional measures are required to fund Scheme enhancement, on the proviso that participants should experience immediate improvements to the service they receive.

The NSW Government requires that regulatory approaches are efficient and minimise red tape, in order to minimise the cost impact on businesses and end consumers. DPIE must ensure that Scheme operation is as efficient as possible before seeking significant increases in funding. Efficiencies are linked to governance protocols, accuracy of information provided by applicants, IT platforms that offer improved communication protocols and various other proposals in this Review.

Options: Fees

Option	Involves	Analysis
Feasible		
Fees cover costs	Assessing the costs required for full operation of the Scheme and setting the fees accordingly. Costs would be reviewed annually and benchmarked, for example to building CPI. Expanded classes of work might also serve to increase revenue.	<p>The Scheme is intended to operate on a user-pays approach. Costs have not been escalated for several years and are currently not constructed to cover the full operation of the regulation required, so indexation is required. Annual indexation in the future would minimise the ongoing cost impact.</p> <p>Most Scheme benefits accrue to participants.</p> <p>Relies on DPIE having confidence that Scheme operations are efficient to justify fees.</p> <hr/> <p>Importance: High Cost: \$ Time: ✦ Dependencies: Requires update in the Rules.</p>
For consideration		
DNSPs make a contribution	DNSPs contribute to Scheme costs. There may be scope to reduce duplication with authorisation and therefore reduce the overall costs to DNSPs.	<p>DNSPs also benefit from the Scheme operation. Submissions indicate that reducing duplication is possible. Reduced duplication would also benefit participants.</p> <hr/> <p>Importance: Medium Cost: TBD</p>

		<p>Time: ✦</p> <p>Dependencies: Requires agreement by DNSPs on a business case for investment.</p>
<p>State government enhancement</p>	<p>State government would identify areas of significant public value (as opposed to business value) and fund through enhancements.</p>	<p>This may be possible where there are specific issues such as thin markets that require direct action. However, previous reviews have ruled that the Scheme should be funded through fees.</p> <hr/> <p>Importance: Would only be considered for important aspects.</p> <p>Cost: TBD</p> <p>Time: TBD</p> <p>Dependencies: Requires a sound business case for investment, and a demonstration that fees are inadequate to cover necessary expenditure. May not be successful.</p>

5.5 Accountability

Full transparency would require that there be a public accounting of regulatory action. This might include:

- An annual account of the total number of Scheme participants
- The number of grading changes
- The number of suspensions
- The number of cancellations of accreditation and registration
- The number of appeals.

This would support future reviews of the Scheme and support consideration of how the Scheme is performing against its objectives.

6 Next steps

6.1 Which approaches are most important?

As noted in the introduction, this Position Paper discusses individual issues. But ultimately, the Review must make recommendations on the design of the Scheme as a whole, rather than on a proposal-by-proposal basis.

The Issues Paper posed the question: Which approaches are most important? Only six submissions addressed this question. For three ASPs, the priorities were a searchable database of ASPs for consumers, improved definitions of classes of work and protection of ASPs. For a fourth ASP, the most significant issue was for DNSPs to have a greater focus on consumer outcomes.

Two of the DNSPs also highlighted their priorities for reform. For one it was:

- Consumer enhancements through a searchable database of ASPs along with a plain English guide to contestable works
- Sharing performance information between DNSPs and the Department
- Market shaping activities through education and communication (including by identifying gaps in training and working with RTOs to develop training packages to address those gaps)
- Establishing regular industry forums to bring stakeholders together to enhance the Scheme Rules and share information.

For the other DNSP, there was support for a raft of reforms, but with implementation prioritised as follows:

- Stage 1: Improving the assessment and auditing of company management systems and introducing a performance framework
- Stage 2: Introducing additional classes of work
- Stage 3: Revising the training and competency requirements
- Stage 4: Fixing the ASP L3 process
- Stage 5: Introducing a consultative governance forum

NECA also listed six recommendations:

1. *Invest in IT solutions (e.g. an online portal) to automate a significant proportion of the information gathering for accreditation. An example of a well-run automated process is the Australian Cabler Registration Service (ACRS) where applicants submit documentation online.*
2. *More rigour around the new accreditation process to ensure more qualified ASPs enter the Scheme*
3. *Ensure ASP/1's maintain their skilled staff at re-accreditation*
4. *Remove the need to register ASP employees across multiple companies or DNSP's. "One registration, one-time"*
5. *To ensure competence is maintained, ensuring there is a minimum number of contestable projects/jobs completed yearly with compliance to their grading to ensure workmanship and experience is maintained*
6. *Adopting duplicated DNSP processes into Accreditation to improve efficiency.*

6.2 Envisioning the end change package

The Review has not yet firmed its view on the final recommendations. However, the final recommendations will aim to bring together a cohesive package of changes that:

- Minimise regulatory red tape and ensure regulatory effort is used only as necessary
- Weigh up indicative cost, effort and benefit of change proposals
- Considers the way change proposals might be sequenced.

The straw model in the Executive Summary illustrates what the change approach might look like. Stakeholders may wish to provide feedback on this model and—if wishing to propose alternatives—a rationale for changes.

6.3 Stakeholder feedback on the Position Paper

Stakeholders are requested to provide feedback on the following

- Where there is a strong preference for options other than those categorised as feasible, noting clear reasons for that preference
- Overall, which options are most important to progress.

The feedback from this consultation will shape the final recommendations.

A separate paper to assist feedback

A separate paper, *Accredited Service Provider Scheme Review: Options summary* has been designed to support stakeholder feedback. Where this Position Paper sets out many options arising from stakeholder consultation to be considered for the future of the Scheme, the Options Summary has selected the options assessed as being feasible. The Options Summary provides space for you to identify:

- The relative importance for you of each of the feasible options
- Alternative options if your preferred justification is not included. If you want to offer an alternative option, you will need to include a detailed justification with evidence as to why your proposed approach is better than those considered feasible.

You may also choose to comment on the straw model provided in this Executive Summary and—if wishing to propose alternatives—a rationale for changes.

All submissions to the Review should be received by 11:59 pm 28 January 2022 at asp.consultation@planning.nsw.gov.au

Appendices

Appendix 1. Terms of Reference

The Review will explore whether the Scheme should be retained as is, modified or removed. Within that context, the key questions for the Review are as follows.

Does the current Scheme address its intended purpose of supporting contestable services?

- To what extent is there still a need for a Scheme to deliver on the identified objectives?
- Is the Scheme achieving its goal of creating a competitive environment for contestable services?

To what extent does the Scheme deliver against the objectives of competence, consumer access and safety?

- What services should be considered contestable?
- Should the concept of contestability be expanded to new services?
- To what extent is the Scheme delivering against its accreditation competence objectives, both at the point of entry to the Scheme and during the ongoing operations of ASPs and registered employees?
- Are the qualifications and training for Registration appropriate?

What arrangements are needed to ensure the Scheme administration meets contemporary customer service expectations and is responsive to industry change, technological advancements and training updates into the future?

- How can Scheme delivery be improved to better meet Scheme participant expectations including aspects such as timeliness, support and data platforms?
- Can the Scheme offer improved value to consumers and stakeholders?
- How can the Scheme remain responsive to change?

Appendix 2. Process for consultation on the Review Issues Paper

The Department released in Issues Paper for public comment on Friday, 25 June 2021 for a period of six weeks. The due date for submissions was extended by two weeks at the request of the sector to Friday 4 September 2021. The Issues Paper can be accessed at

During the consultation period, the review team conducted 14 consultation sessions with:

	Organisation	Consultation process
DNSPs	Endeavour Energy	Online forum, 19 July 2021
	Essential Energy	Online forum, 20 July 2021
	Ausgrid	Online forum, 22 July 2021
ASPs	ASP Level 1s	Online forum, 4 August 2021, 15 respondents/ attendees
	ASP Level 2s	Online forum, 5 August 2021, 15 respondents/ attendees Online forum, 17 August 2021, 18 respondents/ attendees
	ASP Level 3s	Online forum, 6 August 2021, 19 respondents/ attendees
	ASP Assist Group	Phone interview with key staff
Industry stakeholders	NECA	Online forum, NECA staff plus ASP representatives
	UDIA Industry Safety Steering Committee	Phone interview, UDIA representative, Briefing, Committee Meeting, 17 August 2021
	NSW U&E ITAB	Phone interview with NSW Executive Officer
Other NSW Government agencies	IPART	Phone interview Safety Regulator for the Electricity Industry
	SafeWork	Phone interview Safety Regulator in NSW generally
	Office of Fair Trading	Phone interview Licensor of related activities (licensing of electricians)

There were 42 submissions in response to the Issues Paper in total, including six submissions from ASPs that requested their details be kept confidential. The remaining 36 responses were received from:

- Addelec Power Services
- Aftermath Engineering Services
- Alstom Australia Pty Ltd
- ASP Assist Group
- Ausgrid
- Boyton Electrical Solutions
- Cathy Lean
- Consolidated Power Projects Australia Pty Ltd
- EDMAC Australia Pty Ltd
- Endeavour Energy
- Eris Electrical
- Essential Energy
- Floth
- Gary Day Electrical
- Genisis Group
- Gosling Electrical
- GPE
- Greenfield Electrical
- Housing Industry Association
- Ian Low Safety Consulting
- JNH Electrical
- L3D
- Local Government NSW
- NECA
- Northrop Consulting Engineers Pty Ltd
- Norwest Electrical
- NSW U&E ITAB
- Office of Local Government
- Power Design & Energy Projects
- Power Solutions
- Public Interest Advocacy Centre
- Pushkar Ghimire
- Sutherland Shire Council
- Sydney Level 2
- Ultegra
- Vector

Appendix 3. Principles of sound regulatory design

As noted in the Issues Paper, the Review will keep the principles of sound regulatory design and practice at the forefront of assessing issues. Those principles^{xi} include:

Clarity of objectives	There are clear objectives that guide the design and operation of the regulatory activity
Efficiency	The design delivers the necessary protections at the lowest overall cost to government and participants
Role clarity and accountability	Each stakeholder in the regulatory system has clear and distinct roles; accountabilities are clear
Transparency	The requirements of the regulation and the results are clear to regulated parties and to stakeholders
Predictability and consistency	Activities produce predictable and consistent outcomes for regulated parties across time and place
Flexibility and proportionality	The design is sufficiently flexible to allow regulators to adapt their approach to ensure regulated parties can adopt efficient or innovative approaches to meeting obligations; the approach is proportionate, fair and equitable in the way it treats regulated parties
Coherence	The provisions and requirements are well-aligned with existing requirements in related regulatory systems, thereby minimising gaps and overlaps
Adaptability	The regulatory design has scope to evolve in response to changing circumstances or new information on the regulatory system's performance

^{xi} Adapted from a range of sources including [Government Expectations for Good Regulatory Practice \(treasury.govt.nz\)](#) and [OECD Best Practice Principles on the Governance of Regulators - OECD](#)

Appendix 4. Where the Issues Papers questions are addressed in this report

Question	Addressed in
1. Is the current approach of providing examples rather than a definitive list of works acceptably clear?	Section 3.3.4
2. Is there a need to revisit existing classes, for example Classes 1X and 2X, and, if so, how?	Section 3.3.2
3. Should new classes of work, incorporating non-connection services, be added? If so, please provide tangible evidence as to why the service should be included. If not, why not?	Section 3.3.2, 3.3.3 and 3.6
4. If so, why should those classes be prescribed in the ASP Scheme rather than another mechanism such as mutual agreement?	Section 3.3.3
5. How should current requirements for accreditation and individual registrations be improved?	Section 4, especially 4.3
6. Should the accreditation requirements for ASP L3s be updated?	Section 4.7
7. What might grading of ASP L3s look like?	Section 4.7
8. What pathways could assist in growing the market of ASP L3s?	Section 4.7
9. How should ongoing competency be demonstrated, for both ASPs and registered employees?	Section 4.4
10. How should the performance incentives and sanctions be strengthened?	Section 4.5
11. Who should be responsible for market stewardship activities such as support pathways, foreshadowing the skills and capabilities needed, and intervening in areas of market failure?	Section 4.6
12. What market stewardship activities would best support the Scheme's objectives?	Section 4.6
13. To what extent is the Scheme delivering improved timeliness and cost for consumers?	Section 2.2
14. What, if anything, is getting in the way of good consumer outcomes?	Section 2.2
15. How should information be best provided to end consumers (household and business)?	Section 4.2.1
16. How could consumer awareness of the Scheme be improved?	Section 4.2.1
17. What unique and additional value does the ASP Scheme provide over other safety regulation?	Section 3.5
18. How can Scheme service delivery (e.g. guidance, system interface, timeframes) be improved for applicants as well as existing ASPs and registered employees?	Section 2.4
19. How could the Scheme deliver better value for a) DNSPs b) the broader ASP market and c) end consumers?	Sections 2.2, 2.3, 2.4 and interwoven in other sections
20. Which approaches are most important?	Section 6.1
21. What is the best approach to fund Scheme enhancements within a cost-recovery framework?	Section 5.4
22. Which elements require review and how often?	Section 5.2
23. What kind of advisory arrangements would ensure appropriate expert input?	Section 5.3

Question	Addressed in
24. Is the Scheme still necessary and why?	Section 3.2
25. Should the Scheme be delivered through a mechanism other than Government?	Section 3.2

Appendix 5. Acronyms

AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ASP	Accredited Service Provider
ASP L1	Level 1 Accredited Service Provider
ASP L2	Level 2 Accredited Service Provider
ASP L3	Level 3 Accredited Service Provider
CPD	Continuing Professional Development
DNSP	Distribution Network Service Provider ('Distributor')
DPIE	NSW Department of Planning, Industry and Environment (includes the Department of Energy)
IPART	Independent Pricing and Regulatory Tribunal (NSW)
ISSC	Industry Safety Steering Committee (Advisory Committee to NSW Minister)
MOU	Memorandum of Understanding
NECA	National Electrical Contractors Association
PDF	Portable Document Format
RPL	Recognition of Prior Learning
RTO	Registered Training Organisation
TAFE	Tertiary and Further Education (NSW Department)

Key definitions

Consumer	End user; person or organisation that is connected to the electricity distribution network by the work of ASPs. Sometimes also referred to as proponents.
Participant	Individual or organisation that is covered within the scope of the Scheme. Includes applicants for accreditation, Accredited Service Providers and Registered Employees.
Stakeholder	Individual or organisation with an interest in the design and operation of the Scheme. Includes DNSPs, industry bodies (NECA), Registered Training Organisations, other regulatory bodies and other Government agencies.
ASP	Companies or sole traders who have been accredited to perform contestable services.
Registered employee	The term used for individuals who are required to be registered under the Scheme. Individuals may be permanent employees of an ASP or subcontractors.

Scheme structure: Levels and Classes of Accreditation

Level	Level 1: Construction of network assets	Level 2: Service work/ connection services	Level 3: Design of network services
Class			
A	Overhead	Disconnect and Reconnect	Overhead electricity reticulation
B	Underground paper lead and Polymeric	Underground service conductor	Underground electricity reticulation
C	Underground polymeric only	Overhead service conductors	
D	N/A	Energising Network Operator service equipment including service protection devices/fuses	
X	Non-electrically qualified	Non-electrically qualified	