

# Review of the NSW Electrical and Gas Safety Regulatory Framework

## Terms of Reference

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### Background

Energy safety is paramount to the well-being of NSW communities. A robust and adaptable regulatory framework is essential to maintaining this safety, particularly in the context of a rapidly evolving energy landscape.

Currently, in NSW, responsibilities for electrical and gas safety and compliance are distributed across multiple regulators, including the Department of Climate Change, Energy, the Environment and Water (DCCEEW), the Independent Pricing and Regulatory Tribunal (IPART), NSW Fair Trading, Building Commission NSW, and SafeWork NSW. This fragmentation, coupled with the division of responsibilities for metering, installation, and product standards across state and federal governments, presents challenges to the efficient and effective oversight of safety.

The energy system and how energy consumers interact with it is changing. The NSW Government is well on its way to transitioning our energy system to meet our emissions reduction targets of 50% by 2030 and net zero by 2050. Through the Electricity Infrastructure Roadmap, the NSW Government is driving large increases in renewable energy generation on our electricity grid, and investing in large-scale storage, and major upgrades to our transmission network. Meanwhile, households and businesses increasingly making sustainable choices to purchase energy saving technology. NSW energy consumers are now becoming active participants who generate, store, sell and manage their own energy.

Recognising the need for a consolidated and modern regulatory framework to respond to the increasingly dynamic energy landscape, the NSW Government committed to a review of the electricity and gas safety regulatory framework in the NSW Consumer Energy Strategy: Powering Our People and Communities (Action 39).

The review will consider the adequacy of the existing safety framework and organisational structures in NSW to maintain safety of consumers, workers and the public. It will review, in particular, the capacity of the framework to adapt to the increasing complexities of the energy sector and changing consumer energy needs and expectations.

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# Independent review of the NSW electrical and gas safety regulatory framework

## Objectives

The review should consider the following key objectives:

- To ensure the safety of consumers, workers and the public in all areas of the energy sector in NSW.
- Promote efficient use of public resources and ensure value for money, including by reducing any duplication
- Ensuring the energy safety framework is future-proof and fit-for-purpose given the changing energy landscape.

## Scope of the review

The review should consider the electrical and gas safety regulatory framework as it applies across all elements of the energy landscape in NSW. This includes electricity generation, gas production and refining. It includes energy transmission and distribution, metering, service lines and piping, energy utilisation in homes and businesses (including end use equipment). It also includes distributed energy generation, energy storage and liquid fuel pipelines. The review should consider, but not be limited to, the safety framework established through the following legislation and associated regulations:

- *Gas and Electricity (Consumer Safety) Act 2017*
- *Electricity Supply Act 1995*
- *Gas Supply Act 1996*
- *Pipelines Act 1967*
- *Work Health and Safety Act 2011*
- *Independent Pricing and Regulatory Tribunal Act 1992*
- *Home Building Act 1989*

## Review Requirements

The review should consider and make recommendations on:

- The existing objectives of the electrical and gas safety regulatory frameworks in NSW and whether these are appropriate for achieving safety outcomes for consumers, workers and the broader public.

- The effectiveness and efficiency of the current regulatory frameworks and design to meet the Objectives.
- Whether the current organisational and governance arrangements of the NSW electricity and gas safety regulatory framework are appropriate to meet the Objectives, and how they could be improved. This should include:
  - Any regulatory gaps or ambiguity, and whether these result in safety issues not sufficiently considered by an appropriate regulator,
  - Whether there is adequate clarity around the division and coordination of responsibilities across regulatory agencies, including where enforcement and other regulatory responsibilities cross across regulatory agencies.
  - The effectiveness of regulators and governance arrangements to monitor and enforce compliance with safety obligations, and
  - Whether regulators hold sufficient powers and functions to effectively monitor and enforce compliance.
- Whether the current electrical and gas safety regulatory and organisational framework is fit for purpose to achieve the Objectives as the energy system transitions and the role of energy consumers changes.
  - In considering this, the reviewer should consider the key trends and anticipated developments in the NSW energy landscape, in particular the growth of consumer energy resources and the changed relationship of customers with the energy market. While the Review should consider the implications of the energy transition, it should focus on identifying adaptable regulatory principles, rather than exploring all potential future energy pathways.
- Any other matters that the Chair considers relevant.

In undertaking the review, the Chair will have regard to:

- Any overlapping regulatory frameworks in NSW or Australia, including their regulatory focus and any proposed amendments.
- Best practice electricity and gas safety regulatory frameworks in other jurisdictions, including nationally and internationally.

## Process

The review will be conducted by an independent reviewer who may seek expert advice.

The review should be informed by extensive consultation with all relevant stakeholders, including public consultation. This should include consultation with current regulators and technical experts, externally and within NSW Government agencies as appropriate.

## Key Deliverables and milestones

The review will be delivered in three phases. Below is the agreed deliverables for each phase. Further details are available in the Statement of Requirements.

### Phase 1 – Research and initial consultation

- Project Commencement: project plan with deliverables and milestones for DCCEEW agreement – November 2025 (within 1 month of commencement)
- Consultation Papers – 6 December 2025
- Submission Report – 27 February 2026

### Phase 2 – Intensive consultation and draft report

- Draft Report and recommendations – 12 June 2026

### Phase 3 – Reporting and finalisation

- Final Report and recommendations – 9 October 2026

## Outcomes

A final report with recommendations will be presented to the Minister for Energy and the Minister for Better Regulation and Fair Trading by 31 October 2026. The final report and Government response will be made publicly available.