



energy safety  
moving forward

**energysafe**  
VICTORIA

**Victoria**  
The Place To Be

Annual Report 1 July 2008 to 30 June 2009



<b>OVERVIEW</b>		<b>SAFE AND EFFICIENT GAS</b>	
The Organisation	1	Serious Incidents	40
Our Mission	1	Equipment Safety	43
Our Vision – Towards 2014	1	New version issued of AS/NZS 1596:2008	46
Our Values	2	Risk Based Acceptance of Complex Gas Installations	47
Role and Functions	3	Standards Development	47
<b>ACTING DIRECTOR OF ENERGY SAFETY'S REPORT</b>	4	Guidance and Interpretation of Standards	47
<b>CORPORATE STRUCTURE AND MANAGEMENT RESPONSIBILITIES</b>	8	Education and Updating of Practitioners and Industry	47
<b>CORPORATE ACTIVITIES</b>		<b>PERFORMANCE MEASURES</b>	48
The Organisation	10	<b>FINANCIAL STATEMENTS</b>	53
Remaking of Electricity and Gas Safety Regulations	12	Accountable Officer's and Chief Accounting Officer's Declaration	72
Prosecutions	13	Auditor-General's Report	73
Information Technology	16	<b>CORPORATE INFORMATION</b>	
Finance Summary	17	Statement of Corporate Intent	75
<b>PUBLIC AWARENESS AND COMMUNICATIONS</b>	18	Audit Committee	82
"BLACK SATURDAY" BUSHFIRES – ESV INITIATIVES	23	Statutory Information	82
<b>SAFE AND EFFICIENT ELECTRICITY</b>		Consultancies	82
Installation Safety	26	Disclosure of Major Contracts	82
Serious Incidents	26	Pecuniary Interests	82
Warnings for House Removers and Demolition Contractors	28	Customers	82
Equipment Safety	30	<i>Whistleblowers Protection Act 2001</i>	82
Equipment Efficiency	34	<i>Information Privacy Act 2000</i>	83
Licensing and Service Centre	34	Freedom of Information	83
<b>SAFE AND EFFICIENT SUPPLY OF ENERGY</b>		Committees	83
Bushfire Mitigation	36	<i>Building Act 1993</i>	83
Electric Line Clearance	36	Victorian Industry Participation Policy	83
Safety Cases	37	National Competition Policy	83
Electrolysis	38	Energy Efficiency Government Buildings Policy	83
ESV Concerns as Crop Duster Planes Strike Powerlines	38	Risk Attestation	83
ESV and Power Company Warning on Use of GPS Systems on Farms	39	Disclosure Index	84
ESV Supervises Repairs to Major Port Phillip Bay Pipeline	39	<b>ABBREVIATIONS</b>	85

COVER IMAGE  
Ken Jones of BOC with  
ESV Gas Inspector  
Cameron Diplock in front  
of the Type B complex  
gas appliance at BOC's  
Altona plant.

# Overview

Energy Safe Victoria (ESV) is the independent technical regulator responsible for electricity, gas and pipeline safety in Victoria.

To achieve its responsibilities, ESV audits the design, construction and maintenance of all electricity, gas and pipeline networks and installations. It also ensures that appliances meet stringent safety and energy efficiency standards before they are sold.

ESV also conducts comprehensive public awareness campaigns to educate the community and industry on the potential dangers associated with electricity, gas and pipelines.

This section provides an overview of the organisation with details of “Our Mission”, “Our Vision – Towards 2014”, the recently reviewed “Our Values”, and the ESV “Role and functions”.

## THE ORGANISATION

ESV was created on 10 August 2005 with the passing of the *Energy Safe Victoria Act 2005*.

ESV operates under the *Electricity Safety Act 1998*, *Gas Safety Act 1997* and *Pipelines Act 2005* which are administered by the Minister for Energy and Resources.

## OUR MISSION

As Victoria’s independent electricity, gas and pipeline safety technical regulator, ESV strives to ensure safe and efficient supply and use of electricity and gas, for the benefit of all Victorians.

We protect and assist the community by:

- working co-operatively and in consultation with the industry and community to facilitate safety outcomes;
- developing and communicating safety and efficiency requirements and programs;
- monitoring, auditing and enforcing compliance with the requirements; and
- administering licensing, registration and approval systems that maintain safety standards and skills.

## OUR VISION – TOWARDS 2014

Victoria will be a state where the community, industry and regulators share a strong commitment to the safe and efficient supply and use of electricity and gas, and the safety of pipelines.

To ensure their safety, the community and industry will demand that work involving electricity and gas is carried out only by workers who are skilled and appropriately trained. The industry workforce will have numbers sufficient to deliver community requirements into the future.

ESV will be nationally respected and recognised as a leader in safety regulation that facilitates safety and efficiency outcomes through strong communication and consultation, clear regulation and fair audit and enforcement activities. These activities will be carried out by a highly skilled, professional and adaptable regulatory team who are leaders in their field and are able to explain their actions and decisions.

Safety and efficiency will be delivered within a framework that is cost effective and fair for all parties. This framework will be consistently and openly communicated to the community and industry.

This will create a safer state for the benefit of all Victorians.





# Overview

## OUR VALUES

ESV's values were initially developed by the ESV management team three years ago and it was decided to review those values in 2008 using operational staff.

The process resulted in a cross-section of staff examining ESV's existing values and the values of the Victorian Public Sector and other similar organisations. After group discussion and debate, ESV's original seven values (respect, integrity, teamwork, commitment and responsiveness, flexibility and innovation, accountability, and excellence) were distilled down to the four main values of respect, integrity, partnership, and accountability (RIPA) and a short descriptive sentence for each value was developed as outlined here.

### 1/ Respect

**We treat all staff and stakeholders with respect**

- We acknowledge the diversity of opinions, experience and skills of those with whom we interact.
- We work to create and maintain a non threatening and positive workplace environment.
- We actively listen and recognise that others may have a contribution to make.
- We treat all internal and external stakeholders with respect and endeavour to earn their respect.

### 2/ Integrity

**We will always act with integrity**

- We behave in an open and honest way with all internal and external stakeholders.
- We act impartially and without bias.
- We uphold the values, and ensure others uphold the values of ESV at all times.

### 3/ Partnership

**We work cooperatively together with internal and external stakeholders to achieve ESV's objectives**

- We develop, maintain and continuously work to improve partnerships with both internal and external colleagues, stakeholders and customers.
- We lead by example when interacting in partnership with others.
- We recognise that the team's strength is built on the contribution of all our stakeholders.
- We look for new and improved ways to develop our relationships with our stakeholders.

### 4/ Accountability

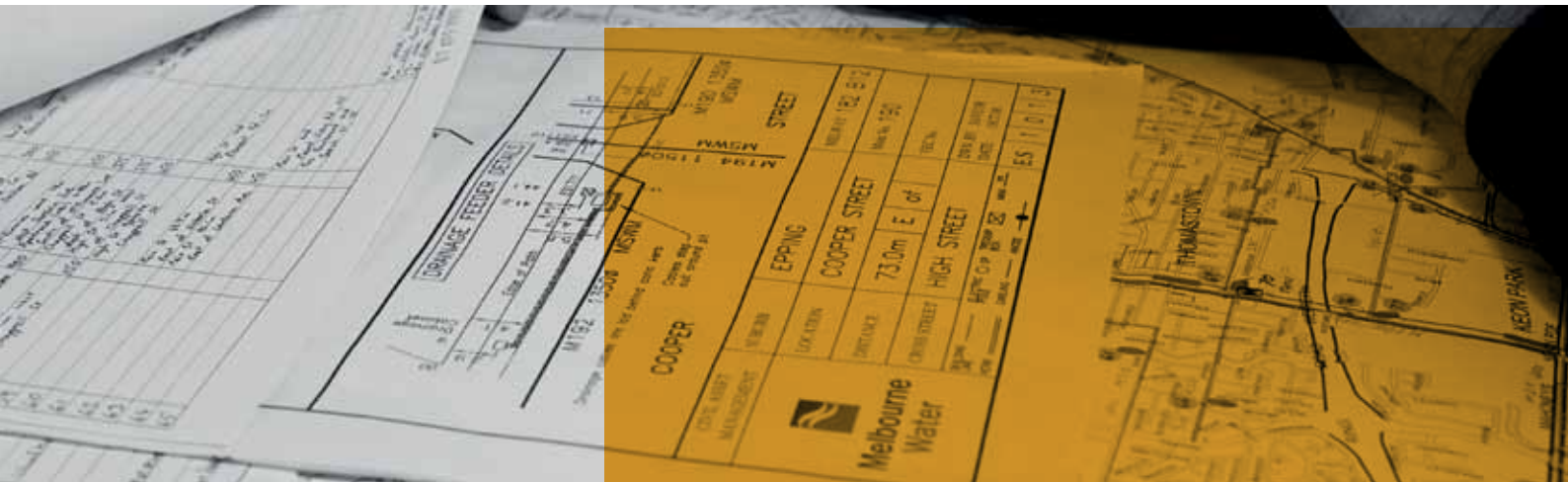
**We are accountable for all of our actions**

- We take full responsibility for all our actions.
- We achieve our goals and outcomes within agreed and appropriate time frames.
- We take responsibility for ensuring appropriate levels of knowledge, skills and abilities at ESV.
- We communicate appropriately with all internal and external stakeholders.

These new values were launched in April 2009 and there is now a high level of commitment to them within ESV. The values have been incorporated within staff performance management plans and will be incorporated in other ESV activities and decisions in the future.



In 2008/09 ESV produced a new instructional DVD aimed at preventing accidents and injuries involving contact with overhead and underground assets particularly on rural properties.



**ROLE AND FUNCTIONS**

ESV is responsible for the safety and technical regulation of electricity, gas and pipelines in Victoria. The role and functions of ESV are specified by the *Energy Safe Victoria Act 2005*. A summarised version follows of ESV objectives and functions which are conferred by legislation and must be addressed through ESV operations.

**Objectives**

- Ensuring the safety of electrical generation, transmission and distribution systems, electrical installations and electrical equipment.
- Ensuring safe conveyance, sale, supply, measurement, control and use of gas.
- Controlling the safety standards of gas and electrical work.
- Maintaining public and industry awareness of electrical and gas safety requirements.
- Promoting awareness of energy efficiency through energy efficiency labelling and regulation of electrical equipment and gas installations, appliances and components.
- Protecting underground and underwater structures from corrosion caused by stray electrical currents.
- Protecting the public from environmental, health and safety risks resulting from the construction and operation of pipelines.

**Functions**

ESV carries out the following functions to meet these responsibilities:

- Specifying minimum safety standards associated with electrical equipment, electrical installations, electrical work, gas appliances, gas equipment, gas components, gas installations, gas related services and the conveyance, sale, supply, measurement, control and use of gas.
- Encouraging and monitoring the use of electricity safety management schemes.
- Issuing guidelines for preparing gas safety cases.
- Assessing and auditing gas safety cases and electricity safety management schemes to determine the adequacy and effectiveness of these safety cases and schemes.
- Administering the prescribed minimum standards for energy efficiency of electrical equipment and gas installations and components.
- Investigating events or incidents which have implications for electricity and gas safety.
- Providing advisory and consultative services to industry and the community in relation to gas and electrical safety including maintenance of public and industry awareness of safe practices.
- Assessing and auditing pipeline safety management plans and environmental management plans to determine their adequacy and effectiveness.

- Monitoring and enforcing compliance with the *Energy Safe Victoria Act*, *Electricity Safety Act*, *Gas Safety Act*, *Pipelines Act* and the associated regulations.
- Inspecting and testing electrical equipment, electrical installations and electrical work for compliance with the specified safety standards.
- Compliance of gas appliances, equipment, components, installations, and related services and the conveyance, sale, supply, measurement, control and use of gas with the specified safety standards.
- Inspecting and testing electrical equipment and gas installations, appliances and components for compliance with the specified minimum standards for energy efficiency.
- Compliance of gas companies with accepted safety cases.
- Compliance of pipeline licensees with construction safety plans, operational safety plans and operational environment plans.

ESV's values were initially developed by the ESV management team three years ago and it was decided to review those values in 2008 using operational staff.

# Acting Director Of Energy Safety's Report

I am pleased to present ESV's fourth annual report covering another year of successful operations and activities for the organisation.

While we can be generally satisfied with our achievements, it has also become evident that we face some major challenges in the years ahead in our bid to further improve electricity, gas and pipeline safety.

The major challenges include the impacts of climate change and the length and severity of the global financial crisis or GFC. The tragedy of the "Black Saturday" bushfires has brought these challenges into even sharper focus.

ESV has undertaken detailed risk management processes to identify the likely impacts and what needs to be done to address them.

At the same time, Victoria's energy demands are increasing due to the increased population and economic growth, and ESV needs to ensure our positive energy safety record is maintained through continuous improvement of processes and systems.

Paul Fearon  
Acting Director  
of Energy Safety



## ACHIEVEMENTS FOR 2008/09

Summarised below are some of our achievements for the year. These are detailed later in the Report.

### Online business programs

ESV continues to identify and introduce initiatives for the overall benefit of energy safety through the streamlining of our business processes benefitting our safety partners and stakeholders – and ourselves. Significant examples are the introduction of programs enabling the electrical trades to purchase and lodge certificates of electrical safety online, and an online approvals database for manufacturers and importers of equipment and appliances. ESV's industry magazine **energysafe** has also become available both as an e-book and on the website.

### "Sunsetting" regulations

Good progress is being made in the remaking of regulations with the task expected to be completed ahead of the expiry date for the regulations – in most cases early in 2010.

### Enforcement of safety

ESV completed 38 successful court prosecutions and issued 35 infringement notices during the year.

### Public and industry awareness

ESV conducted three major campaigns across metropolitan and regional radio and television in 2008/09. A further four issues of the **energysafe** magazine were published. A major initiative was the production of a new DVD entitled "Look Up, Look Down – and Live" aimed primarily at truck drivers and rural workers to be aware of overhead powerlines and underground assets.

### Bushfire mitigation

ESV conducted extensive work evaluating and auditing bushfire mitigation and vegetation management plans submitted by electricity network businesses ahead of the bushfire season. Shire and municipal council vegetation management plans were also directly audited.

### New ESMS regime

ESV continued the legislative development and operational rollout of the new compulsory electricity safety management schemes (ESMS) for licensed electricity transmission and distribution businesses due to commence on 1 January 2010.

### Industry audit campaigns

Targeted campaigns continued through the year to improve compliance levels in the electrical trades, and ensure there is an awareness of current standards and required work methods. Audits were focussed on installations where there is a likelihood of non-compliance such as construction sites and lift installations. More than 440 audits of electrical industry workers were conducted to ensure correct licences are in place, while there were in excess of 25 000 audits of electrical installations carried out for compliance and safety. There was also extensive auditing of equipment and appliances, and energy efficiency labelling.

### Inspections of gas appliances and installations

During the year ESV inspected more than 1,000 Type B appliances, either large commercial gas appliances or industrial gas combustion systems. Over 2,000 complex gas installations were also inspected, together with more than 200 commercial Type A gas appliances. ESV also conducted 120 audits of retailers to ensure new and second-hand gas appliances are safe and compliant.



**Sustainable and skilled industry workforce**

ESV continued to partner industry and registered training organisations to ensure appropriate skills and competencies, and appropriate licensing and safety standards – therefore maximising workforce availability, and helping to protect licensed workers and the community.

**United ESV**

From an internal perspective, ESV has worked hard since its establishment in developing a united entity, and good progress continues to be made in creating an effective and efficient organisation which addresses stakeholder needs – and is a good place to work for its staff and management. During the year staff developed a new set of values for the organisation and these have been adopted.

**A Review of 2008/09 Energy Safety Incident Trends**

ESV regularly monitors energy safety incidents to identify particular trends so that action can be taken to address them. Some incidents such as electricians working “live” on switchboards and injuries resulting from carelessness with backyard BBQs continue to occur despite extensive public and industry awareness programs.

During the year ESV became concerned at the number and severity of injuries suffered by apprentices and young workers in the workplace. The incidents highlighted the need for a continued reinforcement of safety messages.

Other trends becoming apparent in recent times concern the sale and supply of unapproved equipment and appliances on eBay and other internet trading sites.

**A SUMMARY OF SOME ISSUES NOTED BY ESV IN 2008/2009 INCLUDE:**

- Uncontrolled and unapproved design changes by manufacturers to appliances which had previously been approved for supply;
- Increasing use of eBay and other internet sites for the supply and sale of unapproved, and banned appliances;
- Incidence of poor quality appliances including “copy appliances” reaching the market;
- Increases in the number of injuries suffered by apprentices and young workers;
- An increased number of switchboard incidents, particularly where electricians are working “live” instead of isolating supply;
- An increasing number of backyard BBQ incidents in domestic premises;
- An increase in the replacement rate of private overhead electric lines due to age;
- An increase in the number of wind and high temperature events and their impact on the supply infrastructure;
- The rupture of ethane pipeline in Port Phillip bay after a vessel dragged its anchor;
- The growth in copper theft leading to electrical incidents; and
- An increase in the number of complex installations (eg. wind farms) and the number of privately owned high voltage power lines.

Some of these issues are covered in more detail in the individual sections in this annual report.

**GLOBAL FINANCIAL CRISIS**

ESV recognises that the impacts of the economic downturn could be many and varied. As this Report was being prepared the effects for ESV and Victoria’s energy industry were mostly still to be felt, but the situation is being monitored closely.

ESV has identified the following possible impacts following an extensive risk analysis:

- Increased incidence of illegal electrical and gasfitting work imposing dangers for those carrying out the work and others;
- Increased availability of cheap, unapproved and possibly dangerous products and appliances imported from overseas;
- General financial pressures on utilities leading to possible restructures/sales;
- A potential reduction in network maintenance and a failure to invest in network expansion and reinforcement to meet load growth;
- Lack of apprenticeship opportunities with detrimental effects for the electrical and gasfitting trades going forward;
- Reduced income for ESV possibly resulting from lower sales of certificates of electrical safety together with reduced licence and registration applications and renewals because of reduced activity in the construction industry.

**OTHER STRATEGIC CHALLENGES FOR ESV**

As part of its ongoing strategic review, ESV has also identified a number of business risks which will need to be confronted by the organisation. These include:

- COAG’s proposal to introduce a national licensing system and the uncertainty surrounding the detail of the delegated agency;
- The entry of new private electricity equipment certifiers into the market in competition with ESV;
- The MCE Leaders Group review of the introduction of national standards for gas and electricity network operators.



# Acting Director Of Energy Safety's Report

## CLIMATE CHANGE

The impacts of climate change have already been felt in Victoria – significant examples being the extreme wind event of 2 April 2008 and the excessive heat wave and devastating bushfires of “Black Saturday” on 7 February 2009.

ESV has identified the following possible impacts, again through its risk analysis process:

- There is likely to be an increased frequency of extreme temperature and storm events;
- Climate change will drive load growth beyond available traditional generation capacity;
- New power generation technologies requiring safety standards to be established will be developed;
- Extreme weather events will result in an increased frequency of power outages due to infrastructure failures.

## “BLACK SATURDAY” BUSHFIRES

An additional section covering ESV response to the devastating bushfires of 7 February 2009 is included in the 2008/09 Annual Report.

ESV has responsibilities for Bushfire Mitigation from electrical assets and Electric Line Clearance requirements and these are also covered in the “Safe and Efficient Supply of Energy” section. ESV continues to investigate the causes of a small number of individual fires recorded on the day which reportedly resulted from the possible failure of electrical assets.

Shortly after the fires ESV developed a number of initiatives to assist in speeding up the reconnection of power supplies to affected communities such as Kinglake. For instance, a large number of certificates of electrical safety were provided free of charge to the volunteer electricians who assisted in the reconnecting process.

ESV also issued a number of media releases and safety alerts both ahead of the bushfires and afterwards. Among other messages, the releases and alerts warned of the dangers of unqualified people carrying out electrical work including the connection of generators.

ESV officers are scheduled to give evidence at hearings of the Royal Commission into the fires. Preparation work has resulted in a large impact on ESV's time and resources and this is likely to continue well into 2009/2010 and possibly beyond.

## ENVIRONMENTALLY FRIENDLY SOLUTIONS – ISSUES FOR ESV

ESV welcomes the increasing switch to more environmentally friendly solutions for energy issues developed by industries and other stakeholders. Some of the changes will, however, require an increased focus by ESV, particularly in the early stages of development, to ensure the proper safety precautions are observed at all times.

The changes – some of which have already been introduced – include:

- Increasing use of new technologies including wind farms and solar installations in electricity generation;
- The introduction of alternative energy systems into electrical installations. ESV has identified a requirement to alert the electrical trades at the installations involved to the presence of the alternative systems and how they may be isolated. This will be addressed in the updated Electricity Safety (Installations) Regulations due to be introduced in early 2010;
- The eventual introduction of carbon trading and emission permits, particularly the Federal Government's Carbon Pollution Reduction Scheme (CPRS);
- The impact of the State Government's Energy Saver Initiative (ESI);
- The growth of green plumber and green electrician initiatives including the establishment of an ETU sponsored training centre; and
- The roll out of smart meters. While the meters are planned to assist businesses and households to manage power demand, the rollout will undoubtedly expose issues relating to the safety of some customer installations, and result in a significant increase in the volume of work being carried out.



A destroyed vehicle after the 7 February “Black Saturday” bushfires.



ESV welcomes the increasing switch to more environmentally friendly solutions for energy issues developed by industries and other stakeholders.

#### IN CONCLUSION

Since its establishment ESV has set an appropriate focus and direction for ensuring a high level of electricity, gas and pipeline safety in Victoria moving forward. While the global economic situation, climate change and other emerging issues may test the resolve and behaviours of the industries concerned, ESV warns that there can be no compromises when it comes to energy safety.

ESV acknowledges the support of its stakeholders for their ongoing commitment to the cause of energy safety.

I would also like to record the energy industry's appreciation of Ken Gardner for his exceptional work in the area of energy safety and his leadership of ESV as Director of Energy Safety for four years from the organisation's creation in August 2005.

During his involvement in energy safety, Ken acknowledged the support he received from the management and staff of ESV and its predecessor organisations, the Office of the Chief Electrical Inspector and the Office of Gas Safety, which he also led. In particular he admired their enthusiasm and commitment to making Victoria a safer place from an energy safety perspective.

Ken left ESV on 7 August 2009 to take up a position in the private sector and we wish him well in his new role.



PAUL FEARON  
ACTING DIRECTOR OF ENERGY SAFETY  
September 2009



# Corporate Structure And Management Responsibilities



**ACTING DIRECTOR OF ENERGY SAFETY – PAUL FEARON**

- Executive direction and leadership of Energy Safe Victoria.
- Legal
- Prosecutions



**DEPUTY DIRECTOR & EXECUTIVE MANAGER INFRASTRUCTURE SAFETY – MIKE EBDON**

- Emergency Management
- Electricity Supply Networks
- Gas Supply Networks
- Traction Networks
- Electrolysis
- Gas and Electricity Supply
- Risk Management
- Pipelines
- Supply Standards



**EXECUTIVE MANAGER, CORPORATE SERVICES AND LICENSING – ANTHONY DEJONG**

- Finance and Administration
- Information Technology
- Customer Service Centre
- Licensing
- Registration



**EXECUTIVE MANAGER, ELECTRICITY INSTALLATIONS & EQUIPMENT SAFETY – NEIL FRASER**

- Electricity Installations
- Electricity Installations Standards
- Electricity Appliance Approvals
- Electricity Appliance Inspections
- Energy Efficiency of Electricity Appliances, Approvals and Inspections
- Electricity Installation Inspections
- Licensed Electrical Inspector Audits
- Electricity Appliance Retailer Audits
- Certificate Administration
- Investigations
- Training
- Competency



**EXECUTIVE MANAGER, GAS INSTALLATIONS & APPLIANCE SAFETY – PAUL BONSAK**

- Gas Installations
- Gas Installation Standards
- Major Events
- Type B Gas Appliances
- Energy Efficiency of Gas Appliances, Approvals and Inspections
- Gas Appliance Retailer Audits
- Investigations



**EXECUTIVE ADVISOR, COMMUNICATIONS & PUBLIC RELATIONS – DAVID GUTHRIE-JONES**

- Community Education and Communications
- Media
- Publications
- Industry Communications
- Magazine



**HUMAN RESOURCES ADVISOR – JANIS MCFARLAND**

- Human Resources

Energy Safe Victoria Is Led By The Director Of Energy Safety Who Is Appointed Pursuant To The Energy Safety Act 2005 Which Is Administered By The Minister For Energy Industries And Resources.

ESVs Mission And Objectives Are Achieved Through The Commitment And Collaborative Efforts Of Its Management And Staff.



# Corporate Activities

This section deals with ESV's corporate activities and contains information on human resource issues; the remaking of electricity and gas safety regulations; prosecutions; information technology including new programs improving business processes for ESV and its stakeholders; and a brief overview of the organisation's financial performance.

## THE ORGANISATION

During the 2008/09 year initiatives were implemented to provide leadership training to all managers and to further develop and improve the organisation's culture and staff motivation.

ESV participated in the 2009 People Matter Survey with a 59% response rate. Initiatives from past survey feedback have included the presentation of the 2009/2014 corporate plan to all staff, development activities for managers and a review of ESV's values.

The values review involved a cross-section of staff in a workshop followed by consultation with all staff and a review and approval of the executive committee. The new values were then discussed at all section meetings, implemented across the organisation and included in the performance management system.

ESV developed an ESV-specific Conflict of Interest Policy and distributed it to all staff following consultation and the policy will be the subject of future training.

A Complaints Handling Policy and procedure was also developed and introduced.

ESV continued to work closely with its three unions and held negotiations to streamline and consolidate the way on-call arrangements operate.

There was no lost time due to disputes.

ESV upgraded its computer systems to Microsoft Office Suite 2007 during the year and all staff attended training sessions which resulted in a smooth transition to the new software package.

Around 75% of ESV's positions were redefined and evaluated with the view to developing an externally benchmarked technical remuneration structure during 2009/10.

The performance management system continued to evolve and now has an increased emphasis on non-technical training as well as technical training and on-the-job development. This year all managers attended performance

management training and all reviews were completed on time and at a high level of quality.

Managers also continued to attend individualised development programs during the year and the new quarterly management meetings have been a success. Planning meetings with executives continued to be held throughout the year to identify initiatives to address the potential loss over the next two to four years of around 40% of the workforce who are aged 55 or over.

## OCCUPATIONAL HEALTH AND SAFETY

ESV continued to reinforce its commitment to Occupational Health & Safety through identifying and remedying OH&S risks.

Initiatives included: presentations to field staff on attending uncontrolled work sites; the report on air quality at an ESV site and the implementation of recommendations; the purchase of equipment to facilitate manual handling operations; influenza vaccinations for all staff; and the appropriate management of the potential swine flu pandemic.

There were three WorkCover claims during the year, two with lost time of more than 10 days, and the circumstances of these claims have been reviewed.

The OH&S committee met four times during the year, new elections were held for three OH&S representatives and the committee reviewed incidents and near misses (no concerning trends identified). As a follow up to the previous year's voluntary health check initiative, five health seminars were made available to staff and were well attended.

## PRINCIPLES OF MERIT AND EQUITY

ESV continues to promote the principles of merit and equity in all recruitment and selection processes by selecting the best possible person from a reasonable field of candidates. Vacancies are advertised internally and externally and interview panels assess applicants based on the advertised accountabilities and key selection criteria. Appointments are based on merit.



#### WORKFORCE DATA

Twelve ESV staff left during the year – 9 voluntary resignations (including 4 retirements) and three involuntary. This equates to a voluntary turnover of 10%. The following tables outline ESV's headcount and establishment comparisons between 2008 and 2009 and include current vacancies.

Gas Inspectors  
Cameron Diplock  
and Peter Herlihy



#### Headcount Summary – Year on Year Comparison

	ONGOING EMPLOYEES					FIXED TERM & CASUAL
	NUMBER (HEADCOUNT)	VACANT (POSITIONS)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE*	FTE*
June 2009	88	5	84	4	86.9	2.2
June 2008	93	1	87	6	91.7	1.6

#### Headcount Breakdown by Gender, Age and Classification

	30 JUNE 2009			30 JUNE 2008		
	ONGOING		FIXED TERM & CASUAL	ONGOING		FIXED TERM & CASUAL
	NUMBER (HEADCOUNT)	FTE*	FTE*	NUMBER (HEADCOUNT)	FTE*	FTE*
<b>GENDER</b>						
Male	68	67.4	1.2	74	73.5	1
Female	20	19.5	1	19	18.2	0.6
<b>AGE</b>						
Under 25	1	1.0	0.4	1	1.0	0.4
25 – 34	11	10.9	1	11	12.0	1
35 – 44	12	11.6	0.6	12	11.4	0
45 – 54	22	22.0	0	25	25.8	0
55 – 64	34	33.4	0	37	35.7	0
Over 64	8	8.0	0.2	7	5.8	0.2

\* FTE = Full Time Equivalent

# Corporate Activities

## Headcount at 30 June 2009 by Work Group, Gender and FTE

	MALE		FEMALE		CURRENT VACANCIES	TOTAL ESTABLISHMENT
	HEADCOUNT	FTE*	HEADCOUNT	FTE*		
Director's Office	1	1	1	1	0	2
Gas & Electricity Supply	16	15.4	3	2.5	3	22
Gas Installations & Appliances	22	22	1	1	0	23
Electricity Installations & Equipment	17	17	1	1	2	20
Licensing & Service Centre	1	1	9	9	0	10
Finance & Administration	3	3	4	4	0	7
Information Technology	4	4	0	0	0	4
Legal	3	3	0	0	0	3
Communications & Public Relations	1	1	0	0	0	1
Human Resources	0	0	1	1	0	1
<b>Total</b>	<b>68</b>	<b>67.4</b>	<b>20</b>	<b>19.5</b>	<b>5</b>	<b>93</b>

\* FTE = Full Time Equivalent

## REMAKING OF ELECTRICITY AND GAS SAFETY REGULATIONS

ESV can report good progress in the remaking of regulations. Progress is summarised below:

Gas Safety (Gas Installation) Regulations 2008	Completed	New regulations commenced 18 January 2009
Gas Safety (Safety Case) Regulations 2008	Completed	New regulations commenced 18 January 2009
Electricity Safety (Stray Current Corrosion) Regulations 2009	Completed	New regulations commenced 31 March 2009
New Electricity Safety (Equipment) Regulations 2009	Completed	New regulations commenced 27 April 2009
New Electricity Safety (Equipment Efficiency) Regulations 2009	Completed	New regulations commenced 21 April 2009
New Electricity Safety (Management) Regulations 2009	Under development	New regulations to be made by 14 December 2009
New Electricity Safety (Registration & Licensing) Regulations; and New Electricity Safety (Installations) Regulations	Electricity Safety (Installations) Regulations 1999 extended until 28 April 2010; The replacement Regulations are under development	The replacement (Registration & Licensing) and (Installations) Regulations to be made by 31 December 2009.
Electricity Safety (Network Assets) Regulations 1999	These regulations will not be remade	Expires 14 December 2009
New Electricity Safety (Electric Line Clearance) Regulations	These regulations are under development	New regulations to be made by 30 June 2010





## PROSECUTIONS

ESV completed successful prosecutions against 38 companies and individuals for 269 offences in 2008/09 – 34 for breaches of the *Electricity Safety Act* and four for breaches of the *Gas Safety Act* and their associated safety regulations.

Of interest in 2008/09 were 12 prosecutions relating to unregistered and unlicensed electrical work. On the gas side there were prosecutions of note for unlicensed work, the uncovering of a major gas pipeline by a civil contractor, and against a company director for offering to sell unapproved gas appliances.

In addition four prosecutions were undertaken for providing false and misleading information to ESV or an enforcement officer; and two prosecutions for breaches of undertaking to be of good behaviour.

Penalties included 19 undertakings to be of good behaviour, fines imposed with convictions totalling \$64,850, and fines imposed without conviction totalling \$3,750. Some defendants were ordered to provide a total of \$10,000 in gifts to the court fund or nominated charities.

Costs against defendants of \$59,275.25 were awarded in favour of ESV as a result of the court actions.

In 2008/09, ESV continued to target unregistered and unlicensed people who hold out to be electrical contractors and carry out electrical installation work when not qualified to do so because of the dangers they pose for themselves and others.



Here are examples of prosecutions undertaken by ESV through the courts in 2008/09.

### ESV PROSECUTES COMPANY AND ELECTRICIAN OVER LEAVING AN APPRENTICE UNSUPERVISED

ESV prosecuted a registered electrical contracting company and its sole director and technical supervisor, a licensed electrician, after investigating an incident in which a first year electrical apprentice received an electric shock when working unsupervised.

The company and the director were both charged with failing to disconnect circuits before working on electrical equipment.

A summary of evidence provided to the magistrates court said that the defendant gave instructions for relocating three phase equipment and told the apprentice he had isolated supply from the circuits and conducted tests to ensure they were isolated. However, not all the phases of the circuit had been tested.

The court was told the apprentice went home at the end of the working day and his parents insisted that he see a doctor. The doctor put him off work for three days and shortly afterwards the apprentice resigned from his employment.

The company was convicted for failing to disconnect circuits before working on electrical equipment. It was fined \$1,000 and ordered to pay costs of \$700.

The director of the business was also charged with failing to disconnect circuits before working on electrical equipment. The defendant gave an undertaking to be of good behaviour for one year and agreed to make a payment of \$500 to the court fund. The defendant was also ordered to pay costs of \$700.

### HEAVY FINES FOR UNREGISTERED ELECTRICAL CONTRACTING COMPANY

A company charged with holding out to be a registered electrical contractor when unregistered and carrying out contracting work when unregistered used the Australian Business Number (ABN) of another person on its tax invoices, a court was told.

Local Home Improvement Services Pty Ltd, an unregistered company at the time of the offences, was convicted of the offences and fined \$15,000. In addition, costs of \$3,616 were awarded to ESV which brought the prosecution.

Sentencing the company, the magistrate said that the use of another person's ABN on tax invoices was a significant factor in her decision to convict the company and impose the penalties.

### PROSECUTION FOR BREACH OF AN UNDERTAKING

An electrician was charged with over 70 offences spread over two sets of charges issued at different times.

The court, after receiving the electrician's promise to be of good behaviour, imposed undertakings for both sets of charges. One of the undertakings included a promise to make a payment into the court fund.

The payment was not made and the consequences turned out to be extremely serious for the electrician.

Breach proceedings resulted in the original undertaking being set aside and heavy fines imposed, both for breaching the undertaking and for the offences for which the original undertakings had been given.

ESV advised defendants that undertakings amount to a promise to a court, and not ESV. Experience shows that courts act decisively against those who break their promises and the consequences can be severe.

# Corporate Activities

**“HIRE-A-HUBBY” FIRM AND DIRECTOR FINED**  
A “Hire-a-Hubby” franchisee and one of its directors were fined for allowing electrical work to be carried out by someone who was not a registered electrical contractor.

A director of the company, Ice Lady 66 Pty Ltd, was not a licensed electrician either and the work that was carried out was unsafe.

The company trades as a franchise of “Hire-a-Hubby” and performed electrical contracting work.

The company was convicted and fined \$1,200, and the director was fined \$750 without conviction.

ESV commented afterwards that it was concerned at the role played by a licensed electrician who was also trading under a Hire-a-Hubby franchise. The electrician who connected the work carried out by the director, knew that the director was not licensed but made the connections under the misguided apprehension that he was helping out a fellow franchisee. Such behaviour is contrary to the 1998 *Electricity Safety Act*.

## **PILOT PAYS FOR BALLOON POWER LINE COLLISION**

The pilot of a hot air balloon that brought down powerlines at Yarra Glen in March 2008 was ordered to pay costs and apologise to the owners of the asset, SP AusNet.

The pilot also undertook to be of good behaviour for two years and was ordered to make a \$500 contribution to the court fund.

He was charged with flying a balloon within 45 metres of a network asset – in this case the power lines.

The cost of repair to the lines was \$22,023.

SP AusNet said the balloon struck the 22,000 volt three-phase overhead power lines in Gulf Road, Yarra Glen.

The collision resulted in one of the high voltage cables being brought down which brought down a low voltage cable immediately below the three high-voltage lines.

The falling power lines caused two small fires which were quickly contained.

Regulation 32 of the Electricity Safety (Network Assets) Regulations say a person must not fly or operate a balloon within 45 metres of any network asset – that is any asset a network operator uses for supplying electricity.

Regulation 46(2) says a person must not damage or interfere with a network asset in a way likely to cause risk to persons or property.

## **LICENSED ELECTRICAL INSPECTOR ORDERED TO PAY CHARITY \$4,000**

A licensed electrical inspector, who failed to properly inspect a junction box on a rural property, was prosecuted under the false and misleading provisions of the 1998 *Electricity Safety Act*.

A court was told a licensed electrician had replaced a junction box on the point of attachment at the property. The box was mounted on top of a piece of pine and the electrician had reversed the polarities.

The defendant signed the certificate of inspection and admitted he could not reach the connection box but signed the certificate anyway.

He told the court he felt he was not obliged to carry out any tests at all and that all he had to do was look at the box and the piece of pine on which it was mounted. If it looked OK then that was all he had to do.

The magistrate severely criticised the defendant’s attitude.

The defendant gave an undertaking to be of good behaviour for 12 months and agreed to donate \$4,000 to charity.

## **HEAVY FINE FOR COMPANY CHARGED WITH TAMPERING WITH A GAS PIPELINE**

The lifting of a high pressure gas pipeline from its position and then tying it to some wooden stakes with blue nylon rope proved to be very costly for the company found to be responsible. The prosecution was brought by ESV.

Cicccone Constructions Pty Ltd, a civil contractor, was charged with uncovering a gas pipeline without the consent of the owner and with knowingly tampering with a gas pipeline. The company was convicted, fined \$20,000 and ordered to pay costs of \$2,800.

The court was told that in August 2007 ESV received a complaint from asset owner SP AusNet alleging interference to its 180mm high pressure gas main pipeline running along Mt Derrimut Road, Laverton North.

The pipe had been laid in 2006 as part of a gas supply extension program in the area.

ESV alleged that the defendant company had been engaged by project engineers working for a housing developer to provide an entrance to the development from Mt. Derrimut Road. The work involved excavations in Mt. Derrimut Road between St. Leonards Avenue and Foley Road.

It was alleged that an employee of Cicccone Constructions Pty Ltd lifted the high pressure gas pipeline from its position to the top of a trench and tied it to some wooden stakes with blue nylon rope.

A senior representative of the company said in a record of interview that his company had been directed to lift the pipeline and that the direction was in writing. Despite being given the opportunity to do so, the defendant failed to produce any evidence of permission to interfere with the pipeline.



Electrolysis  
Manager,  
Glenn Carrig.

A “Hire-a-Hubby” franchisee and one of its directors were fined for allowing electrical work to be carried out by someone who was not a registered electrical contractor.





# Corporate Activities

2008/09 is the third consecutive year in which ESV has recorded an accumulated surplus at 30 June since establishment in 2005.

## INFORMATION TECHNOLOGY

### INTRODUCTION OF ONLINE CERTIFICATES OF ELECTRICAL SAFETY

After extensive development work in conjunction with the electrical trades, ESV introduced its new business process enabling stakeholders to purchase and lodge certificates of electrical safety online.

The introduction of the online certificate system is one initiative provided by ESV to help meet the State Government focus of reducing the regulatory burden for businesses.

ESV has urged the electrical trades with an online capability to use the new system because of the advantages that it provides through its enhanced features. The adoption of the process by the trades has been encouraging.

The advantages include:

- Ability to purchase COES numbers online and lodge those COES online.
- Ability to print off, email or fax the lodged COES to the customer.
- The ability for online lodged COES to pre-fill with contractors details.
- Ability to notify Retailers/DBs that a certificate has been lodged.
- Ability of RECs/LEIWs to email prescribed certificates to LEIs or inspection companies to arrange inspections.
- Ability of LEIWs to use certificates purchased by their employer and to return the completed COES to their employer electronically.
- If the certificate is lodged online a copy of the certificate will not have to be posted to ESV.
- Ability of LEIs to receive completed COES online and accept or reject the inspection request online.
- Ability of inspection companies to receive completed COES online and to allocate them electronically to individual inspectors.

- Ability for employers of licensed electrical workers to purchase COES for their workers via a nominated licensed electrical worker who agrees to be the responsible person for the employer's organisation.
- Ability of employer to provide licensed workers lists within the system so that those workers can use COES that are purchased by the employer and stored in the system.

The move to the online system resulted from extensive consultation between ESV and the electrical trades. ESV has acknowledged the support provided in the introduction of what is an important new facility.

Details of the new system were provided at industry presentations around Victoria.

New electronic and paper certificates were provided by ESV in line with the introduction of the online system. Some of the reporting functions required in the existing certificates have been removed and this is reflected in the new certificates.

ESV continues to stress that the Interactive Voice Response (IVR) system will remain unchanged and will be available to members of the trades who do not wish to avail themselves of the online system. Paper certificates will also continue to be available.

### ESV INTRODUCES THE ONLINE APPROVALS DATABASE

ESV also introduced its Equipment Safety Online approvals database. After months of planning, specification, training and implementation, the new approvals database went "live" in October 2008.

The system allows any applicant or a consultant on behalf of an applicant to enter an application for approval, modification or renewal directly online via the ESV website.

The process assists manufacturers, importers, and distributors to reduce the 'time to market' by streamlining the electrical safety approval process.

Applicants can attach the appropriate test report, product description and photos, pay by credit card then submit the application.

ESV staff then review the application to ensure the supporting documentation provides proof of compliance to the current edition of the applicable Australian Standards; are from an acceptable laboratory and relate to the model to be approved; and the photos are complete and adequate.

When satisfied the application is recommended for approval, and reviewed and approved by senior ESV management.

Once approved the applicant/consultant is sent an email informing them the certificate of approval is available for download and printing.

Additionally the public can search all Victorian certificates of approval by model number, tradename, certificate number or certificate holder.

This enables buyers, sellers and installers to verify the approval of products before they are purchased or installed.

In time it is envisaged that all Australian approvals will be listed on this site – providing a one stop inspection process for all electrical equipment and appliance approvals.

Detailed user instructions are on the ESV website.

## Financial Review Of Operations (\$'000)

	08/09	07/08	06/07	05/06
Total Expenses	19,512	19,536	18,832	16,745
Total Revenue	20,867	19,929	19,099	16,605
Operating Surplus (deficit)	1,355	393	267	-140
Total assets	9,301	7,407	7,675	8,181
Total liabilities	4,129	3,590	4,251	5,024
Net assets	5,172	3,817	3,424	3,157
Total equity	5,172	3,817	3,424	3,157

### FINANCE SUMMARY

ESV generated an operating surplus of \$1.355M for the year, a position above budget and an increase of \$0.962M on 2007/08.

This resulted from a higher level of activity associated with certificates of electrical safety than expected and an increased income from gas industry levies.

Total equity increased during the year from \$3.8M to \$5.1M. Highlights included

- An increase in cash and cash equivalents by \$1.866M
- A decrease in receivables of \$456,000

2008/09 is the third consecutive year in which ESV has recorded an accumulated surplus at 30 June since establishment in 2005.

The outlook for 2009/10 is based on a break even operating result, a slight reduction in payables and provisions and a further transfer within assets from receivables to cash assets.

The net asset position at 30 June 2010 is not expected to materially change.

2008/09 is the third consecutive year in which ESV has recorded an accumulated surplus at 30 June since establishment in 2005.

Executive Manager  
Corporate Services  
and Licensing,  
Anthony DeJong.

# Public Awareness And Communications

During 2008/09, ESV continued to promote to the community and the relevant industries and trades the important electricity, gas and pipeline safety messages. ESV was particularly busy promoting safety messages advising the community on what should be done before, during and after extreme weather events – in particular bushfires and wind storms.

## MAJOR PUBLIC AWARENESS CAMPAIGNS

ESV adopted a new approach in 2008/09 by committing its public awareness television and radio budget to conducting three campaigns instead of four, and ensuring increased exposure of the messages during the period of the campaigns. The spring and summer campaigns lasted for three weeks while the winter campaign was extended to four.

As part of the approach, ESV also determined to restrict the number of messages broadcast to improve the reach of the campaigns and assist the community's recall of the commercials and their messages.

The "always use a licensed electrician" and "BBQ safety" commercials featured during the spring and summer campaign, while the "take care when cooking" and "the importance of maintaining gas appliances" comprised the winter campaign.

ESV proposes to continue with the approach during 2009/10.

## RADIO ADVERTISING

ESV continues to recognise the importance and potential reach of radio advertising across regional and metropolitan Victoria, and devotes a large percentage of its public awareness budget to this medium.

In 2008/09 ESV continued to broadcast 30-second radio commercials – mostly radio versions of television productions – on regional radio, with specialist 10-second electricity and gas safety commercials broadcast with road traffic reports on Melbourne's commercial stations during its campaigns.

ESV proposes to devote similar resources to radio advertising in 2009/10.

## COMMUNITY SERVICE ANNOUNCEMENTS

ESV continued to supplement its paid television and radio campaigns, by successfully applying to the State Government for Community Service Announcement (CSAs) allocations to continue campaigns.

## ETHNIC AUDIENCES

ESV recognises the importance of communicating safety messages to Victoria's ethnic audiences where English may not be the first language of communities and individual households.

As required, an element of the budgets for ESV's major public awareness campaigns continues to be directed towards broadcasting electricity and gas safety messages on SBS radio and television.

Opportunities to further promote its messages to ethnic audiences are continually sought by ESV – recent examples being the translating into six languages of a media release advising on electric blanket safety, and a warning also by media release to Chinese and Vietnamese communities of the requirement to only use qualified tradespeople. These initiatives were reported in last year's annual report.

## REACH AND RECALL SURVEY OF AWARENESS CAMPAIGNS

Newspoll surveyed some 300 people across metropolitan and regional Victoria in early 2008/09 to measure the reach and recall by the community of ESV's awareness campaigns and the messages emanating from the individual television and radio commercials.

With ESV's current crop of commercials being relatively new – replacing energy safety messages which had been broadcast continually under various guises for more than 20 years – the results of the survey were encouraging. The reach of the three awareness campaigns measured 83%, while the community's recall of the messages measured 80%.

Another "reach and recall" survey will be conducted in early 2009/10.







A scene from ESV's instructional DVD "Look Up, Look Down – And Live".

#### ESV'S NEW ELECTRICITY SAFETY COMMERCIALS FEATURE IN OLYMPIC GAMES TV COVERAGE

ESV's new electricity safety commercials featuring retired international swimmer and Olympic relay gold medallist, Brooke Hanson, were shown during the high rating Olympic Games television coverage in Melbourne and regional Victoria.

Brooke, who suffered a painful electric shock at a spa and pool show in Melbourne in 2008, recorded radio equivalents of the commercials in 2009.

The two messages involve discarding aged and damaged electrical equipment, and avoiding the overuse of powerboards and extension leads.

#### SAFETY MESSAGES

While ESV determined to restrict the number of safety messages broadcast during its public awareness campaigns, the organisation continues to take every opportunity to promote in one way or another a large array of messages.

Many energy safety messages have become familiar to the Victorian community over the years, but will be continually promoted in the years ahead by ESV with the support of safety partners. Messages include:

- Look Up, Look Down – And Live
- Dial Before You Dig
- Never Do It Yourself – electricity and gas work
- Only use licensed tradespeople for electrical and gas work
- Check the licences of tradespeople when they call
- Install a safety switch
- Do not work "live"
- Arrange an electrical home safety inspection
- Never leave cooking unattended
- Ensure gas appliances are serviced and checked regularly
- Beware unsafe Christmas lighting products

- Electric blanket safety
- BBQ, outdoor gas appliances and LP Gas safety
- Insist on a Certificate of Electrical Safety or Certificate of Compliance when electrical and gas work is completed.

#### ESV MESSAGES DURING EXTREME WEATHER EVENTS

Since the extreme weather event of 2 April 2008, ESV regularly issues media statements containing important safety advice ahead of forecasted wind events.

The releases have warned of the likelihood of power blackouts across the state.

The advice includes a warning to keep clear of fallen powerlines because they could be "live" and dangerous, and how affected households must not carry out any electrical repairs but engage a licensed electrician to do the work.

ESV also issued a number of media releases and safety alerts ahead of and subsequent to the devastating bushfires on 7 February, 2009. There is more information in the "Black Saturday Bushfires – ESV Initiatives" section of this Annual Report.



Former international swimmer, Brooke Hanson, in a scene from one of two ESV electricity safety television commercials in which she is featured.



What can go wrong when the connection between a BBQ and gas cylinder becomes loose.

# Public Awareness And Communications

Commander Frank Stockton AFSM,  
Manager – Community Education with  
the MFB, and Energy and Resources  
Minister Peter Batchelor, witness the  
dangers of leaving cooking unattended



## ESV MEDIA EVENTS

Minister for Energy and Resources, Peter Batchelor, took a prominent role in two energy safety media events during 2008/09.

### THE NEED FOR GAS BBQ SAFETY

The issue of gas BBQ safety was the focus of media attention two days before the Melbourne Cup with the Minister warning Victorians of the need to take care when they fire up their appliances – particularly if it is being used for the first time in months.

At a joint ESV/Metropolitan Fire Brigade event for the media two days before the Melbourne Cup, firefighters set alight a BBQ to demonstrate how easily a poor connection between a cylinder and appliance can cause fires and burns injuries.

“More than half of gas-use injuries sustained by Victorians involve domestic barbeques and in the last three years more than 400 fires from portable/outdoor barbeques have been reported in Victoria,” said the Minister.

### APPLIANCE SAFETY A MUST FOR WINTER

In late May, the Minister joined fire authorities and ESV to launch ESV’s winter public awareness campaign aimed at raising awareness of how easy it is for fires to start in the home.

The campaign, which included TV and radio advertisements, stressed the importance of checking gas and electrical appliances before use – and never leaving cooking unattended. As reported earlier the campaign ran for four weeks.

Mr Batchelor said Metropolitan Fire Brigade figures show that over the last five years 1001 fires originated in cooking or kitchen areas. Nearly half were as a result of cooking being left unattended.



Unapproved  
Christmas lights

#### MINISTER'S WARNING ON UNSAFE CHRISTMAS LIGHTS DETECTED IN MELBOURNE STORES

In mid December 2008, the Minister joined ESV and the State's fire authorities to warn the community not to put their family in danger by buying cheap decorative Christmas lighting products that do not meet Australian safety standards.

The Minister said the warning followed the discovery of Christmas lights with exposed "live" parts for sale in Melbourne stores.

"Unapproved lights can be dangerous with the potential to start fires in homes and give people electric shocks," he said.

"Audits of some bargain stores by ESV compliance officers have detected a number of non-compliant imported Christmas light products.

"Of particular concern are non-compliant controllers provided with lighting sets. ESV has detected evidence of overheating in units, along with exposed 'live' parts and inadequate insulation," the Minister said in a media release.

#### ESV PRODUCES NEW "LOOK UP, LOOK DOWN – AND LIVE" DVD

In 2008/09, ESV produced a new instructional DVD aimed at preventing incidents and injuries involving contact with overhead and underground powerlines and gas pipes on rural properties.

The DVD entitled "Look Up, Look Down – And Live" updates an earlier instructional video on taking care around power assets, but features a new script, film footage and animation explaining what can go wrong.

The DVD was produced in direct response to the continuing number of incidents involving trucks and equipment hitting overhead powerlines and underground assets in Victoria. Hardly a day passes without an incident involving contact, particularly with above ground powerlines, not being reported to ESV.

While the vast majority of these incidents fortunately do not result in injury, that was not the case in 2006 when two drivers and a farmer were electrocuted as trucks hit powerlines on farms. In 2008/09 there was a serious incident at Mildura involving a scissors lift and powerline. The victim in this incident lost a leg and a foot among the horrific injuries he suffered.

During their discussions with ESV following the incidents, the widows and families of the two drivers who died in 2006 suggested that ESV should produce such a DVD believing that it will have a significantly positive impact on those most at risk in such circumstances.

While not identified in the DVD, the widows' thoughts and emotions which they experienced at the loss of their loved ones do form a significant part of the production. ESV appreciates their help and support in the preparation of the DVD.

The DVD became available in 2009 with several thousand copies being distributed through a number of avenues including trade unions, electricity distribution companies, WorkSafe Victoria and the Victorian Farmers Federation FarmGuide. Distribution is targeted at organisations and individuals whose work activities bring them into close contact with overhead and underground assets.



Flames shoot from a trench – a display provided by GippsSTAFE's Chadstone facility for ESV's "Look Up, Look Down – And Live" DVD.



# Public Awareness And Communications

## NEW BROCHURES

ESV produced three new brochures during 2008/09.

### UPDATED BROCHURE ON THE CERTIFICATE OF ELECTRICAL SAFETY (COES)

The brochure "About the Certificate of Electrical Safety" was updated and produced in ESV corporate colours. It was made available to the electrical trades to provide to customers to help explain the certification system.

The brochure contains images and brief descriptions of both the Prescribed and Non-prescribed certificates. Images from ESV's television commercial which urges the community to check the licences of electricians and ensure they receive a COES when work is completed were also included in the brochure.

### NEW ESV BROCHURE URGES:

#### DON'T TAKE YOUR GAS BBQ FOR GRANTED

With more than half the injuries sustained by people in Victoria from gas use each year involving domestic BBQs, ESV developed a new brochure aimed at preventing people from being hurt, and even killed, from poorly maintained or assembled appliances.

ESV continues to be concerned at the continuing rate of incidents and injuries attributable to gas BBQs, mostly in domestic backyard situations .

As the brochure points out the principle culprit for the problems with gas BBQs is the left hand thread connection, often known as the POL connection, between the gas cylinder and the appliance either being in a poor condition or not tight enough.

The brochure also advises that because the checks which must be made to ensure the safe operation of BBQs are so important it may be worth engaging an expert – a licensed gasfitter – to conduct the checks and carry out any maintenance or repairs which are needed.

### "POWERLINE CLEARANCE AND YOUR PROPERTY"

ESV worked with electricity distribution businesses to update its "Powerline Clearance and Your Property" brochure. It summarises the contents of the Code of Practice which sets out the minimum clearances and the responsibilities relating to electric lines, trees and vegetation in Victoria.

The brochure stresses that landowners are responsible for the cutting of trees on their properties that may interfere with their own electric service line or private electric line, or a private electric line on an adjoining property.

Trees near other electric lines that cross boundaries or trees within properties near the electric lines in the street are the responsibility of the electricity distribution companies.

## ENERGYSAFE MAGAZINE

ESV produced another four issues of its **energysafe** magazine which continues to be recognised as a good communications channel to keep its principal stakeholders – the electricity and gasfitting trades – updated on energy safety issues and recent incidents.

With a normal print run of 55,000 copies, the magazine became available as an "e-book" during 2008/09. Following publication of the most recent issue, ESV distributed more than 48,500 hard copies of the magazine – with some 6,250 readers opting to receive an electronic copy.

ESV proposes to continue promoting the e-version in 2009/10 with the intention of significantly reducing the major production cost – the distribution by mail. Despite promoting the magazine to the electrical and gas industries, overall advertising support remains disappointing.

## ESV WEBSITE – WWW.ESV.VIC.GOV.AU

Time and resources continue to be directed at updating the content of the ESV website to ensure its relevance to stakeholders, and that the material remains of a high quality. Although the current website was only commissioned in 2007/08, it is recognised that further improvements can be made to ensure material can be accessed easily and quickly. A major revamp of the site is therefore proposed for 2009/10.

Unique visitors to the ESV website exceeds 100,000 each year.



# “Black Saturday” Bushfires – ESV Initiatives

ESV responded quickly following the “Black Saturday” bushfires on 7 February by announcing a range of initiatives to assist in speeding up the reconnection of power supplies to fire ravaged areas, particularly Kinglake.

ESV also issued a number of media releases and safety alerts covering important electricity and gas safety measures on the day before the fires and in subsequent days. Following the fires, ESV’s particular concern was the connection of generators with advice issued for the general community and the electrical trades.

ESV also investigated a small number of individual fires across the State which were thought to have been started by electrical assets.

Marysville REC Ray Connor surveys what is left of his house after the devastating Black Saturday bushfires. Also, what was left of his work truck.



# “Black Saturday” Bushfires – ESV Initiatives

ESV announced its initiatives as hundreds of licensed electricians answered calls to voluntarily assist in restoring power to areas ravaged by fires.



A glimpse of the sun through bushfire ravaged trees.

## ESV INITIATIVES TO SUPPORT BUSHFIRE RAVAGED COMMUNITIES

The organisation worked with the ETU and NECA to ensure a speedy and effective response. An ESV Compliance Officer was stationed in Kinglake West for a number of days advising both electricians and residents on the safety measures to be followed.

When announcing the initiatives, Director of Energy Safety, Ken Gardner, said: “Like so many other authorities, ESV wanted to do all it could to help relieve some of the suffering of the bushfire victims and wanted to support the efforts of the amazing number of volunteer electricians who came forward to restore supplies.”

### THE ESV INITIATIVES:

ESV supplied hundreds of certificates of electrical safety free of charge to electricians carrying out electrical work in the bushfire areas.

It was also announced that any electrical contractors/licensed electricians who issued certificates of electrical safety from their own stocks for electrical work carried out in bushfire affected areas would have the certificates replaced by ESV free of charge.

Proposed changes to the electricity safety regime were also to be brought forward allowing Licensed Electrical Inspectors who have a G class licence to inspect the installation of generators. Normally this work is confined to inspectors with S or R licences. Changes were made to the ESV certificate system so that G class inspectors would not need to make a licence application before being available for the work.

Information on the safe connection of generators for the electrical trades was loaded onto the ESV website.

In another initiative, ESV also announced it would permit builders’ poles to be used to connect properties in bushfire affected areas to the electricity supply, and remain in place for 12 months. This arrangement could apply to temporary accommodation, new construction or for equipment such as pumps.

ESV said that the use of overhead supply builders’ poles could only be used in such circumstances if there is not enough vegetation to pose a risk of fire. ESV announced that it expected everyone involved in such work – licensed electricians, licensed electrical inspectors and staff of distribution businesses – to use their judgment and assess if there was a risk by using builders’ poles.

ESV also announced that electricians coming from interstate to help restore and repair installations in the fire damaged areas would be able to obtain a Victorian licence for a period of six months at no cost to them.

ESV would also be flexible when it came to permitting the use of interstate lineworkers to assist with cleanup and repairs.

Ken Gardner said: “We wanted to help as much as we could. At the same time safety could not be compromised – hence the need for other electrical safety regulatory requirements to remain in place, with the integrity of the certification system also being maintained.

“While extending our deepest sympathy to all individuals and communities impacted by the fires, ESV also pledged to consider other initiatives which may assist communities during these very difficult times.”





A transformer pole burnt to the ground in the "Black Saturday" bushfires.



### MEDIA RELEASES AND SAFETY ALERTS

ESV issued a number of media releases and safety alerts in January, February and March 2009.

A summary of some of the warnings, and the dates they were issued, follows:

**29 January 2009** – Urgent energy safety messages for households during extreme hot weather events.

**06 February 2009** – ESV's tips for households for the safe and efficient use of electricity during the predicted extremely hot weather and strong winds forecast for the following day.

**10 February 2009** – ESV's warning to the community to keep clear of fallen powerlines.

**19 February 2009** – Safety advice: check installations before gas is used.

**26 February 2009** – Important safety tips provided for households on the safe and efficient use of electricity and gas during the hot weather and strong winds predicted for the following day.

**02 March 2009** – ESV issued further important safety advice to be observed during the strong wind events forecast for subsequent days.

**Further advice on precautions which need to be taken during strong wind events was issued by ESV on 14 April and 30 June.**

Safety messages issued by ESV in the days following the fires covered the following:

- ESV warned that as roads began to re-open in fire impacted areas, residents needed to be aware there could be damaged power infrastructure which network repair crews had been unable to access. Residents wishing to get back to their properties were advised to seek the advice of police and other emergency services on whether it was safe to do so.

- Serious concerns were expressed by ESV and the Minister for Energy and Resources, Peter Batchelor, at reports of generator sets being installed and wiring work carried out in properties by unlicensed people. There were also concerns at the condition of some of the generators rushed into service – some were old while others had not been properly maintained.

### WARNING ON THE CONNECTING OF GENERATORS

The problem of generator connections was highlighted in a note prepared by ESV for emergency services broadcaster, ABC Radio 774. It said: "Currently we have electricity safety experts based at the Kinglake West Fire Station helping to coordinate the program for volunteer licensed electricians helping residents to connect generators.

"They have reported major concerns to us that some residents are connecting generators extremely dangerously, threatening themselves and the power system.

"People are reportedly using modified extension leads to connect generators straight into the electrical installations of properties. These extension leads have three pin plugs at both ends which means that one end will be 'live' at 240 volts when plugged into a sockets. This practice could result in loose wires around properties also being 'live'.

"Without putting too strong a point on it, people could be killed because of this practice.

"Because of the safety involved this work of connecting generators to the electrical installations of properties can only be carried out by licensed electricians. These generators have to be wired into switchboards. "

ESV said that while small portable generators could be used by residents they could only be connected to single appliances such as radios and water jugs.

### GAS SAFETY

ESV also issued important advice recommending that gas supplies – both natural gas and liquefied petroleum gas – to properties in affected areas should be checked for safety by experts before being used.

### INVESTIGATION OF FIRES

Immediately following "Black Saturday", ESV officers investigated a small number of fires which could have been started by electrical assets.

The results of the investigations were due to be delivered to the Royal Commission into the bushfires.

Trucks involved in restoring power supplies to the Kinglake area.



Crews are briefed during the program to restore power supplies.

# Safe And Efficient Electricity

As in previous years, a large number of issues and challenges surrounding safe and efficient electricity were addressed by ESV during 2008/09. Examples are reported here.

## INSTALLATION SAFETY

### AS/NZS 3000:2007 – WIRING RULES: EDITORIAL ERRORS CORRECTED

Some editorial errors were identified in the latest issue of the Wiring Rules, AS/NZS 3000:2007, leaving readers confused particularly as some pictures appeared to conflict with the written text. The mistakes were corrected with the release of updates. Amendment 1 to AS/NZS3000:2007 to further clarify some clauses has been drafted and will be published in August 2009.

A Frequently Asked Questions (FAQ) and Answers document was also prepared to clarify issues with particular installations.

### ESV INVESTIGATES HOME HANDYMAN ORGANISATIONS

During the year, ESV investigated “home handyman” organisations after claims that some of their franchisees had been undertaking electrical installation work when unlicensed.

It is understood that franchisees had been under the misapprehension that they could lawfully lay cables and other electrical work provided licensed electricians complete the actual connections.

ESV made it clear to the home handyman organisations, and RECs and LEIWs, that electrical installation work includes cable laying and it can only be carried out by licensed people.

ESV warned RECs not to be tempted to condone cable laying by unlicensed workers. They must not be a party to another person’s unlawful electrical installation work by signing a certificate of electrical safety for work they had not actually done themselves.

ESV has prosecuted RECs and LEIWs for such practices in the past and the penalty can be as high as \$13,400.

*Note: as reported in the corporate section of this report, a “Hire-a-Hubby” franchisee and one of its directors were prosecuted by ESV in 2008/09. The defendants were fined for allowing electrical work to be carried out by someone who was not a registered electrical contractor.*

## ONLINE CERTIFICATES OF ELECTRICAL SAFETY

As reported in the Corporate section of this report, in May 2009 ESV launched its new business process enabling stakeholders to purchase and lodge certificates of electrical safety online. At 30 June 2009 1,600 certificate had been purchased on line and over half of these have been completed and lodged on line. The initiative was the result of extensive development and consultation with the electrical trades.

## ONLINE APPROVALS DATABASE

ESVs introduction in October 2008 of its Equipment Safety Online approvals database is also covered in the Corporate section. Implementation of the database followed months of planning, specification and training. Uptake has exceeded expectations and lead times were reduced to 10 days or less.

## SERIOUS INCIDENTS

### DEATH OF LINEWORKER

ESV and WorkSafe Victoria investigated the death of lineworker Paul Seddon who was seriously injured in an incident at Croydon on 25 August 2008 and died a few days later.

Paul, who came from Warrnambool, was employed by Jemena. He and a colleague were part of what is called a “travelling crew”.

On the day in question they were travelling to Morwell and were diverted to Croydon to carry out more work on a job in which they had been engaged about two weeks earlier.

The pair were replacing the HV phasing on a substation when the incident occurred. The work was part of a project to upgrade the local distribution network and provide power supplies to a new development.

Paul was in an elevated work platform when the incident occurred.

Paul’s death followed that of 38-year-old Allen Pearson, who was electrocuted while restoring power supplies in Mornington on 3 April 2008 – the day after wild storms struck Victoria.

ESV issued a safety alert for all lineworkers following the two incidents stressing the importance of always taking extreme care when working on or near electric lines.

The safety alert said: “It is tragic that Victoria has lost two experienced and well respected lineworkers in the space of just a few months.

“While investigations into the deaths are ongoing, it is appropriate to warn all lineworkers that safety must never be compromised in their work. Operations need to be continually reviewed and modified where necessary to ensure only the safest work practices are followed.

“Lineworkers should remember that their last line of defence when something goes wrong is proper procedures, appropriate safety protection gear and safe work practices. They are essential at all times.”

The Safety Alert stresses that lineworkers must:

- Perform a detailed safety assessment;
- Use appropriate personal safety gear and protective equipment and tools;
- Cover all “live” conductors within reach and,
- Comply with the Code of Practice of Electrical Safety for Working On or Near High Voltage Electrical Apparatus.

The alert warned that lineworkers should not proceed with any project if there is slightest doubt about their safety and that of the public. Even routine jobs can go wrong.

#### ESV CONCERN AT SPATE OF INJURIES TO APPRENTICES AND YOUNG WORKERS

ESV expressed its concern during the year at the number of incidents it investigated which involved apprentices or young workers. In two of the incidents, the apprentices needed to be revived after their hearts stopped.

The incidents included:

- The heart of a 20-year-old electrical apprentice stopped after receiving an electric shock while working on a switchboard at Ringwood’s Eastland shopping Centre. He was revived by a security guard using a defibrillator.
- A first year electrical apprentice, also aged 20, received a severe electric shock while changing a light fitting at a major Melbourne hotel.

– A 17-year-old carpentry apprentice received a severe shock while performing non-electrical work at a community hall at Wodonga. He needed to be revived after receiving the shock.

– A 25-year-old electrician working alone for just about the first time and about to change over a circuit breaker at a busy restaurant in a northern suburb of Melbourne decided it was safe to perform the work “live”. He spent almost a week in hospital afterwards.

– Another 25-year-old electrician received serious burn injuries and possibly an electric shock two weeks before Christmas when working “live” changing a circuit breaker on a switchboard in a new development at Caroline Springs. The victim has told an ESV investigator that he has no recollection of what happened.

– The heart of a 23-year old plumber stopped beating after he came into contact with a “live” roof at Rosebud. His colleague, an 18-year-old apprentice plumber, reportedly used First Aid and CPR tips he picked up from television programs to help resuscitate and save his workmate. The pair were putting the finishing touches to a roof replacement job at the property when the incident happened.

#### SCISSOR LIFT OPERATOR SUFFERS HORRIFIC INJURIES IN POWERLINE INCIDENT

A man suffered horrific injuries in an incident involving a scissor lift and overhead powerline at Merbein near Mildura in early July 2008. Injuries included the loss of his left leg below the knee, the loss of his right foot and serious injuries to his left arm.

The lift made contact with three high voltage conductors. Rescuers faced huge difficulties in freeing the victim from the powerlines.

The man was initially taken by ambulance to the Mildura Base Hospital before being flown to Adelaide for emergency treatment.

ESV and WorkSafe investigated the incident.

25-year-old Damien is living proof of the terrible consequences that can be suffered when a switchboard explodes because something goes wrong while working “live”.





# Safe And Efficient Electricity

## EXTENSIVE BURNS CAUSED BY ARCING FAULT

ESV investigated an incident in which an electrician working in a factory in regional Victoria received extensive burns due to being exposed to a switchboard arcing fault.

The initial investigation found the electrician, who required treatment at The Alfred hospital, was the innocent victim of the fault.

He was wearing the appropriate protective gear.

The victim opened a door of the switchboard to perform load testing utilising a clip on amp meter.

At that moment an arcing fault developed within the switchboard and there was an explosion causing the burns.

## ELECTRICIAN DIES AFTER RECEIVING AN ELECTRIC SHOCK IN FACTORY

A 53-year-old electrician died in hospital early in 2009 a few days after receiving an electric shock while working at a factory in Mulwala – just over the Victorian border in NSW.

As the man died in Wangaratta Hospital, the Victorian Coroner will determine his cause of death. WorkCover NSW is investigating the incident.

The man reportedly received the electric shock while working in a cherry picker which touched overhead powerlines at an explosives factory.

An electrician received extensive burns due to being exposed to an arcing fault. His clothes and safety gear were also damaged.



## WARNINGS FOR HOUSE REMOVERS AND DEMOLITION CONTRACTORS

### ESV ISSUES SAFETY ALERT

ESV issued a safety alert on 18 July 2008 warning house removers and demolition contractors of the importance of verifying the status of the electricity supply to a property before it is removed or demolished.

The warning followed an incident at a property where a house removal contractor received an electric shock when he attempted to remove the building.

“It is ESV’s view that the circumstances surrounding this incident should send alarm bells to everyone involved in one way or another with removing or demolishing houses,” said the alert.

According to ESV investigations, the contractor involved attempted to verify that the electricity supply to the house had been abolished by the local electricity distribution company.

He attempted to turn lights on and when they did not work he assumed that the power had been removed.

He then placed the house on jacks and attempted to cut through the electricity conduit still connected to the house, and received an electric shock.

Prior to any house removal or demolishing activity, contractors must always –

- request a Supply Abolishment from the local electricity retailer well in advance of the proposed works;
- obtain formal notification from either the local electricity retailer or electricity distributor confirming that an abolishment of supply has been carried out; and
- have a test carried out by an appropriately qualified person and confirm the status of electricity supply.

## DEMOLITION WORKERS INJURED AFTER BELIEVING POWER HAD BEEN CUT OFF

ESV investigated two separate incidents involving injuries to workers while cutting through consumer mains supplying power to properties being demolished. Both workers thought the electricity supply had been abolished.

In one of the incidents, a demolition worker received a flash injury to his eyes. In the other incident, the worker received a 230V electric shock.

Distribution companies reported the incidents to ESV.

In both incidents, contractors had been engaged to carry out demolition work at the two properties – one was a house, the other a Department of Human Services unit or “granny flat”. Both workers believed the consumer mains were “dead” before the incidents occurred.

In both cases, representatives from the distribution businesses had abolished supply and removed the meters. It is understood unknown persons restored power to the properties.

## Installation Safety Statistics

ACTIVITY	TOTAL 07/08	TOTAL08/09
Applications granted under Regulation 416 of the Electricity Safety (Installations) Regulations	155	222
Letters of no objection	45	17
Breaches of regulatory requirements investigated	826	616
Warning letters sent	143	36
Investigations actioned within 5 days	240	190
Investigations – final action instigated within 30 days	596	482
Infringement notices issued	10	25
Site audits of licensed electrical installation workers	359	260
Audits of licensed electrical inspectors	44	37
Field audits of registered electrical contractors	252	228
Construction site audits	188	94
Information sessions	146	118
Attendees at sessions	6,906	4,740

A battery charger not displaying evidence of approval



# Safe And Efficient Electricity

## EQUIPMENT SAFETY

### NEW SYSTEM TO ENSURE THE SAFETY OF ELECTRICAL EQUIPMENT

ESV is party to a new Electrical Equipment Safety System recommended by the Electrical Regulatory Authorities Council (ERAC). The aim of the system is to eliminate shock, injury and property damage resulting from the sale, supply and use of unsafe electrical equipment.

ERAC has proposed the new system should be underpinned by nationally consistent performance-based legislation in each jurisdiction and comprehensive scheme rules. It contains a mixture of pre-market registration and post-market enforcement.

Further consultation has been conducted resulting in the creation of an implementation plan and the formation of a committee to drive the system. Draft rules governing the requirements for recognised external approvals bodies have been developed in cooperation with JAS-ANZ and the approvals bodies. The national scheme is expected to be operational mid 2011.

ESV continues to be involved in the preparation and maintenance of Australian standards. The global economic downturn has forced Standards Australia to severely curtail the support they can provide to standards development. Alternate methods of funding and writing standards may need to be found to facilitate the continuation of standards development to ensure the safety of gas and electricity users in Australia.

### ESV ACTS ON EVAPORATIVE COOLERS

In early 2008, ESV alerted the electrical trades and the manufacturer to reports by Victoria's fire authorities of a significant increase in the number of fires involving evaporative coolers.

Subsequent investigations by ESV and the fire authorities identified a possible problem with some fan motor start/run capacitors installed in units.

As a result of the investigations, air conditioner manufacturer Brivis announced in December 2008 that it was undertaking a national rework of Contour evaporative air coolers.

The company said the rework, which would be free of charge, involved upgrading the fan motor starting device in some evaporative coolers installed between 1 August 2001 and 31 October 2003.

A media release from the company said it had identified a potential defect in the supply fan motor starting device which, in rare cases, property damage and/or personal injury could result.

"After extensive testing by an independent laboratory and discussions with Energy Safe Victoria (ESV), we have launched a national rework program for the affected models," said the release.

Brivis said the work would be carried out by technicians on the sites where the unit had been installed and with the owners of the premises being informed of their plans.

The company said it had advertised the recall in newspapers around Australia and all known customers were also being informed. Around 75 per cent of the coolers were in Victoria.

Customers were asked not to operate their units until the rework had been completed.

Brivis reported regularly to ESV on the progress of the rework. In February it reported that 11,524 customers had registered for the rework and 9,333 jobs had been completed.

Second letters were sent to some 3,200 customers on their database who had not registered and this resulted in the rework of over 85% of installed units being completed by June 2009.

In February 2009 Brivis announced another recall; this time of the Brivis AD model evaporative coolers installed between August 2000 and November 2003. Based on fire investigations in January 2009 that identified a potential fault in the water circulation pump that may result in a fire. This affects some 14,439 units

### WARNINGS ON FIXED LUMINAIRES

During the year, ESV noted an increase in the number of incidents and/or complaints about potentially unsafe fixed luminaires. These complaints and incidents range from house or factory fires, people receiving electric shocks or notifications of non-compliances such as access to live parts.

Although fixed luminaires are not a prescribed item and do not require approval, they are still required to be electrically safe.

Non prescribed products are still required to be tested and comply with the relevant safety standard, in this case AS/NZS60598.

*Section 54 of the Electricity Safety Act 1998 (the Act) states (in part):*

*"A person must not supply or offer to supply electrical equipment unless –*

*(a) the equipment complies with the minimum standards prescribed for equipment of that class;"*

*The penalty for non-compliance is up to \$4,405 for a natural person and in the case of a body corporate up to \$22,024.*

Unfortunately electrical safety of a product cannot be assessed at a glance. ESV advised the industry that the best way to ensure the product was electrically safe was for suppliers to obtain a voluntary certificate of compliance and display an



ESV Compliance Officer Trevor Hudson audits electrical equipment to ensure it is compliant.



authorised marking on the product. This number shows that the product has been certified as complying with the relevant safety standards.

Alternatively if the supplier does not have a certificate of compliance requests should be made for evidence that the product is electrically safe and complies with the relevant standards i.e. a test report.

*During 2008/09 ESV took action relating to a number of unapproved products including battery chargers, powerboards, Christmas lights, heaters, fluorescent lamp ballasts and spa equipment.*

**BATTERY CHARGERS AT CARAVAN SHOW HAD NO EVIDENCE OF APPROVAL, SAYS ESV**

After a visit to a major caravan and camping show by an ESV enforcement officer, a number of caravan manufacturers and importers were ordered by ESV to explain why battery chargers in vehicles on display did not have markings indicating that they were approved for use in Australia.

The manufacturers and importers were told to supply ESV with evidence showing an Approval mark on the battery chargers in question and a copy of the Certificate of Approval for them.

Alternately, if the battery charger is not approved, they would have to provide a written statement advising:

- full contact details of their battery charger supplier;
- date of last purchase and a copy of the purchase invoice if available;
- total numbers of each unapproved model that have been sold and total numbers still in stock;
- why these battery chargers were being sold without electrical safety approval; and
- actions being taken by the businesses to ensure that all prescribed electrical equipment without electrical safety approval is immediately withdrawn from supply.

The companies were warned that the electrical equipment being supplied without an apparent approval marking was contrary to Section 57(2) of the Electricity Safety Act. The penalty for non-compliance at the time was \$4,537 for a natural person and in the case of a body corporate up to \$22,684.

They were also advised that under the Electrical Safety (Infringements) Regulations 2000, ESV may also serve infringement notices for any failure to comply with the Act. The penalty for an infringement notice ranged from \$454 to \$2,268 for each breach.

**ESV ALERTS OTHER AUTHORITIES TO HEATER FIRE**

During the year ESV alerted other electricity safety regulatory authorities in Australia and New Zealand to a fire in a heater and recommended that the product be recalled. The product is a Sunair fan heater with an approval number Q050051.

ESV reported that a two-year-old heater of this model was being used in the bathroom of a property near Geelong when it caught fire. Fortunately the owner was taking a shower at the time and was able to extinguish the blaze.

ESV said in its report that the plastic material used in production samples did not appear to comply with the requirements for "resistance to heat and fire".

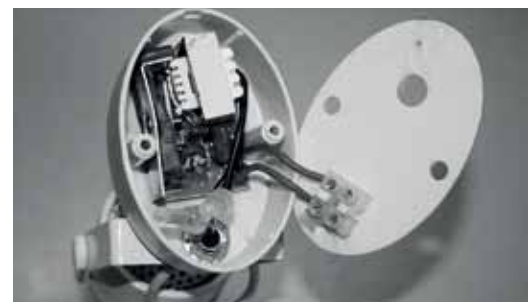
The report said the fire was not an isolated incident as ESV is aware of other fires in NSW, Western Australia and Victoria originating in the same or similar models.

This action resulted in a national recall of the fan heater.



Manager Gas Supply Safety Andrew Jones and Gas Safety Advisor Winnie Chan

Examples of fixed luminaires. Although not a prescribed item requiring approval, they still have to be electrically safe.



# Safe And Efficient Electricity

## ESV WARNS STORE OVER UNAPPROVED FLUORESCENT LAMP BALLASTS

ESV ordered a Melbourne suburban store to explain why some brands of fluorescent lamp ballasts (CFLs) were being sold without an Australian approval marking.

After an ESV compliance officer noticed that various brands of CFLs were offered for supply without evidence of approval, the store was directed to supply a written statement to ESV advising:

- full contact details of the Compact Fluorescent Lamp (CFL) supplier(s) – if known;
- total numbers of each brand purchased and numbers of each remaining in stock;
- why these CFLs were being sold without an Australian approval marking;
- actions being taken to ensure that all non compliant, or prescribed electrical equipment without approval, is immediately withdrawn from supply; and
- that the store understands the requirements of Sections 54 & 57(2) of the Electricity Safety Act.

The store was told by letter that because the CFLs in question – branded The “TCH”, “Okes”, “Kilips” & “Kunpeng” – were being supplied without an approval marking it was contrary to Section 57(2) of the Electricity Safety Act. The penalty for non-compliance is up to \$4,537 for an individual and up to \$22,684 for a body corporate.

The store was also advised of ESV’s concern that the CFLs may not comply with Australian Standards for safe operation at 240 volts.

## ESV WARNING ON SUPPLY OF UNAPPROVED SWIMMING POOL/SPA EQUIPMENT

ESV sent a warning letter to an organisation offering to supply spa equipment on eBay. There was no evidence of the required electricity safety approval on the product.

The organisation had received a similar warning from ESV in June 2008 not to supply spas, unless they and their prescribed components are approved.

ESV files show that the organisation offered to withdraw the unapproved spa’s from eBay at that time.

ESV then supplied contact details for two approvals consultants so the organisation could arrange for the spas and associated equipment to be approved.

In the warning, ESV said it was concerned that if the spas and their components being supplied are not approved, they may also not comply with Australian Standards and could present the risk of electric shock to users.

ESV issued the following advice to the public:

When considering purchasing electrical or gas equipment on eBay or another online trader ask:

- Is it safe?
- Is it approved?
- Demand a copy of the approval certificate
- If not sure if approval is required, contact ESV

## RECALL OF FAN HEATERS

ESV initiated a major recall of imported fan heaters and directed some of Australia’s large retail outlets to stop selling them following reports that some of the units had caught fire.

The Chinese manufactured NSB–200J–08 Fan Heaters were sold under the “Onix” brand in Coles and Bi–Lo stores and under the “Homemaker” brand in Kmart stores.

Similar heaters marked NSB–200J Fan Heaters and sold under the “Home Collection” brand through Woolworths were previously recalled.

ESV found the Regulatory Compliance Mark (RCM) shown on the nameplate label was incorrectly used by the importer as none of these fan heaters had been approved for supply in Australia.

From ESV’s initial investigation it appeared the fan heaters caught fire because the front of the plastic baffle directing air from the fan was located too close to the heating element.

ESV was advised that Coles, Bi–Lo and Pick’n Pay (a Queensland store) had sold 23,293 mostly ‘Onix’ brand NSB–200J–08 Fan Heaters since February 2008, and still had 4707 in stock. Kmart had sold 13,780 ‘Homemaker’ NSB–200J–08 Fan Heaters, since March 2008 and still had 1244 in stock.

All remaining stock totalling nearly 6000 units had been removed from supply at all retail outlets in Australia.

ESV told importers it was very concerned to learn that some of the fan heaters sold through various Coles and Woolworths outlets had caught fire, possibly because of modifications to the plastic baffle directing air from the fan.

ESV also ascertained that the approval number on the fans belonged to another Chinese manufactured fan heater which was compliant.

ESV also expressed its concern that the importers had sourced these fan heaters from various factories in China and that the units appear to be different from what was originally tested and approved.

ESV took action against the importers for non-compliance with the *Electricity Safety Act 1998*. A \$2,202 Infringement Notice was served against the company for supplying unsafe electrical equipment, not in accordance with Section 54 of the Act.

A burned out heater.



Picture of a fan heater identical to a model which was recalled.



### Equipment Safety

	06/07	07/08	08/09
Approvals submitted	1799	1783	1306
Total number of approvals in place	7225	7712	6960
Number of products audited (approval)	1157	1245	1142
Notices to comply issued	89	95	65
Safety investigations	254	342	264
Safety recalls initiated	6	9	7
Hazard alerts raised	7	8	1
Incident reports raised	29	27	10
Public safety warnings initiated	1	0	0
No. of days taken to approve fully compliant approvals applications	20	24.9	10
Number of enquiries	19,062	22,340	18,625
Infringement Notices	5	4	4



### Equipment Efficiency

	08/09
Average number of days taken to approve fully compliant equipment efficiency applications	15.81
Models registered for labelling	1218*
Total number of registrations in place	6479**
Number of inquiries	876
Retail outlets visited	21
Cancellation of registrations for equipment efficiency matters (energy labelling or MEPS)	1

\* Denotes individual registrations, some of which are grouped as families of models

\*\* Stocks of non-complying products that were imported or manufactured in Australia prior to the effective date of legislation affecting them can be sold for an indefinite period, but the registrations are deemed to be 'grandfathered'.



The Sunair fan heater – before it caught fire and afterwards!



# Safe And Efficient Electricity

## EQUIPMENT EFFICIENCY

### REGULATIONS

In April 2009, the Electricity Safety (Equipment Efficiency) Regulations 2009 were made under the *Electricity Safety Act 1998*. The regulations are the mechanism by which Victoria fulfils its obligations to implement the National Equipment Energy Efficiency (E3) Program in relation to electrical equipment.

The regulations set out the performance requirements, including Minimum Energy Performance Standards (MEPS) and the energy labelling requirements that apply to various types of electrical equipment.

In the regulations external power supplies and set-top boxes (STBs) were proclaimed by the Governor-in-Council. The new categories of regulated equipment were the culmination of extensive industry consultation. External power supplies are covered by standard AS/NZS4665.1 and 4665.2 and will be required to meet or exceed the requirements of performance Mark III.

Set-Top Boxes are covered by standard AS/NZS62087 Parts 1 and 2 and the regulation includes requirements for passive standby, active standby and in-use modes, separate requirements for standard definition and high definition STBs as well as free-to-air and subscription TV services.

These regulations and standards for set-top boxes and external power supplies used to power mobile phones, laptops and other common home electronics products are set to further cut the electricity use and reduce the power bills of Victorian households.

### STANDARDS

The new regulatory standard AS/NZS4474.2:2009 Quality and Performance of Household Electrical Appliances—Household Refrigerating Appliances was published in April 2009 by standards committee EL-015-23, of which ESV is a member. The changes to the regulatory requirements include a new energy label design, new algorithm (set of equations) for calculating star rating and a tighter tolerance for check testing of the energy label validity to 7.5%.

## ENFORCEMENT

Regular audits are conducted to ensure that proclaimed equipment offered for sale has a current registration with one of the Australian or New Zealand regulators. The Department of the Environment, Water, Heritage and the Arts, as chair of the Equipment Energy Efficiency Program (E3), has commissioned the Australian Refrigeration Council as external contractors to undertake regular ongoing audits of retail outlets to ensure that products are correctly labelled and are registered for MEPS. ESV provided regulatory training to the council members in March 2009.

## ENERGY EFFICIENCY SPECIAL ACCOUNT

The Equipment Energy Efficiency (E3) Committee requested ESV to set up an account to administer the funds of the E3 National Check Test Program. ESV undertook this function to receive and administer funds through its internal systems on behalf of the Committee in 2008-09.

## LICENSING AND SERVICE CENTRE

### LICENSING REGULATIONS

A new set of regulations titled the Electricity Safety (Registration and Licensing) Regulations are being developed for introduction in early 2010. Previously registration and licensing provisions were part of the Electricity Safety (Installations) Regulations.

Proposed changes in the new regulations include:

- Expanding the classes of electrical installation work, electrical contracting and electrical work to include installations (operating at any voltage) in hazardous and patient areas. The change is required to capture items operating at extra low voltage in these sensitive areas.
- Introducing a new class of registered electrical contractor which will allow a person to carry out electrical contracting work which is limited to electrical fitting work.
- Introducing a new class of licence for electrical fitters, enabling licence holders

to carry out all electrical installation work except for the installation, alteration, repair, maintenance or removal of fixed electrical wiring.

- Replacing the Disconnect/Reconnect worker's licence with two classes of restricted workers licence. Class 1 allows the licence holder to conduct disconnect/reconnect work, testing and fault finding, and Class 2 allows disconnect/reconnect work and testing only.
- Requiring an applicant for an Electrical Inspector's Licence to have had 5 years experience in electrical installation work.
- Abolishing the Occupier's licence for new applications. In addition, categories S, F and R electrical inspector's licences are to be abolished and will be covered by the G and V categories.

ESV has worked extensively on the remaking of regulations during 2008/09. It has involved extensive consultation with stakeholders, together with ESV staff and management, to streamline the regulations so they comply with the Council of Australian Government's (COAG) initiative for a national licensing system.

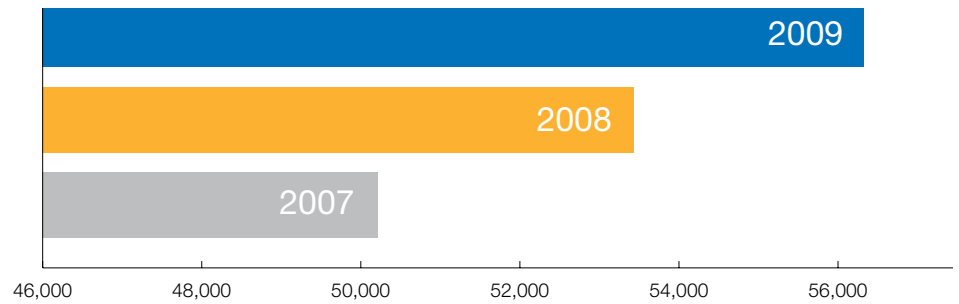
## GENERAL LICENSING

ESV's licensing activities continue to ensure that the skills of Victoria's electrical workers are maintained at the standards required under the Electricity Safety Act and Electricity Safety (Installations) Regulations.

One area which continues to require close attention is that of Disconnect/Reconnect Licences. ESV continues to reject applications for such licences when applicants fail to demonstrate their work or occupation qualifies them for a licence under the suitable primary work function category.

ESV also continues to inform Disconnect/Reconnect Licence holders of the need to comply in full with the Act and Regulations, including lodging certificates of electrical safety when required to do so.

## Total Licensed & Registered in Victoria from 2007 to 2009



ESV also continues to work closely with the EPIC Industry Training Board and the Northern Metropolitan Institute of TAFE (NMIT) to improve the Licensed Electricians Assessment in Victoria.

Special consideration requests have increased significantly during 2008/09, which has resulted in a detailed policy covering the issue being drafted by ESV for introduction in 2009/10. This will clarify the process for anyone applying for special consideration when undertaking the Licensed Electrician's Assessment.

We continue to monitor Supervised Workers Licence applicants with the revised policy covering these licences in place since October 2008.

Following the "Black Saturday" bushfires, ESV observed a significant increase in the number of lineworkers returning to the industry after extended absences.

### ONLINE SERVICES

As reported last year, ESV expanded and enhanced its range of online services in September 2007 enabling registered electrical contractors, licensed electricians and licensed electrical inspectors to renew their registrations and licences electronically. This initiative continues to be supported by the industry with the numbers of licence and registration holders renewing online continuing to increase.

### Licensing Statistics

ACTIVITY	RESULT 2008/ 2009	RESULT 2007/ 2008	RESULT 2006/ 2007
<b>WORKER STANDARDS</b>			
Electrician's Licence 'A Class' – New Applicants	1,313	1,362	931
Electrician's Licence 'A Class' – Renewed	3,313	5,356	5,053
Supervised Worker's Licence 'L' – New Applicants	230	314	274
Electrician (Supervised) Licence 'ES' – Renewed	299	527	80
Disconnect/Reconnect Worker's Licence 'D' – New Applicants	525	561	432
Disconnect/Reconnect Worker's Licence 'D' – Renewed	1,089	1,780	1,553
Total number of licences issued	2,076	6,139	8,287
Total number of licences in place	37,526	36,543	35,937
Total number of inspector's licences issued	320	276	276
Total number of inspector's licences in place	327	317	318
Registration of electrical contractor (initial registration)	681	661	706
Registration of electrical contractor (renewal of registration)	8,888	8,702	8,504
Total number of registrations issued	9,569	9,363	9,210
Total number of registrations in place	9,506	9,134	9,021
No. of meetings of the Electrical Licensing Registration Advisory Committee	6	6	6
Total number of Electrician Licences	27,869	26,833	25,984
Total number of Supervised Worker's Licences	1,564	1,650	1,848
Total number of Disconnect/Reconnect Licences	7,735	7,711	7,754
Total number of Occupiers Licences	31	32	33
Total number of registered Spotters	6,697	5,393	2,712
Total number of registered Lineworkers	2,354	2,255	2,381

# Safe And Efficient Supply Of Energy

This section covers the safety of Victoria's electricity and gas transmission assets and pipelines.

## BUSHFIRE MITIGATION

The *Electricity Safety Act* requires that electricity companies submit annual bushfire mitigation plans to ESV for approval. These plans are reviewed to ensure they comply with the requirements of the Electricity Safety (Bushfire Mitigation) Regulations 2003. To review their compliance with their bushfire mitigation obligations and with the Electricity Safety (Electric Line Clearance) Regulations 2005, in 2008/09 ESV conducted audits on eight major electricity businesses including those with significant electrical assets in designated hazardous bushfire risk areas.

The audit found the companies were well prepared for the fire season and the preparation had been in line with their bushfire mitigation and vegetation management plans. It was the auditor's opinion that this was achieved through the concentration of asset maintenance in the high bushfire risk areas, at the expense of the assets in the low bushfire risk areas.

The auditor also reported a number of new asset maintenance and inspection initiatives within some of the companies targeted at addressing concerns regarding the ageing of their assets and their potential to initiate fire starts.

The required clearance between vegetation and aerial electric lines was seen by the auditor to have been established by the companies in those hazardous bushfire risk areas visited. The maintenance of the required clearances in the low bushfire risk areas has remained below standard.

After receiving the companies' responses to the auditor's reports, ESV decided to conduct a limited number of follow up audits in July / August 2009 in order to obtain a better understanding of the companies' asset inspection and maintenance practices.

## ELECTRIC LINE CLEARANCE

The *Electricity Safety Act* requires that electricity companies and other responsible persons submit annual electric line clearance plans to ESV for approval and to comply with the requirements of the Electricity Safety (Electric Line Clearance) Regulations.

While the standard of clearance by the electricity companies in hazardous bushfire risk areas has been satisfactory, compliance by electricity companies and other responsible persons in low bushfire risk areas has been below standard. This is a matter of network reliability and electrical safety rather than a bushfire initiation risk.

This year ESV continued its strategy to raise the profile of vegetation issues with municipal councils and other responsible persons, resulting in an improved level of compliance in the preparation and submission of electric line clearance plans.

In addition, ESV undertook sixteen audits of councils and shires. The audits revealed significant variation between the best and worst performing councils and shires. Subsequent inspection of some of the councils and shires which had performed poorly at the ESV audits confirmed that a significant improvement in their electric line clearance had been achieved.

ESV will continue its audit strategy in 2009/10.

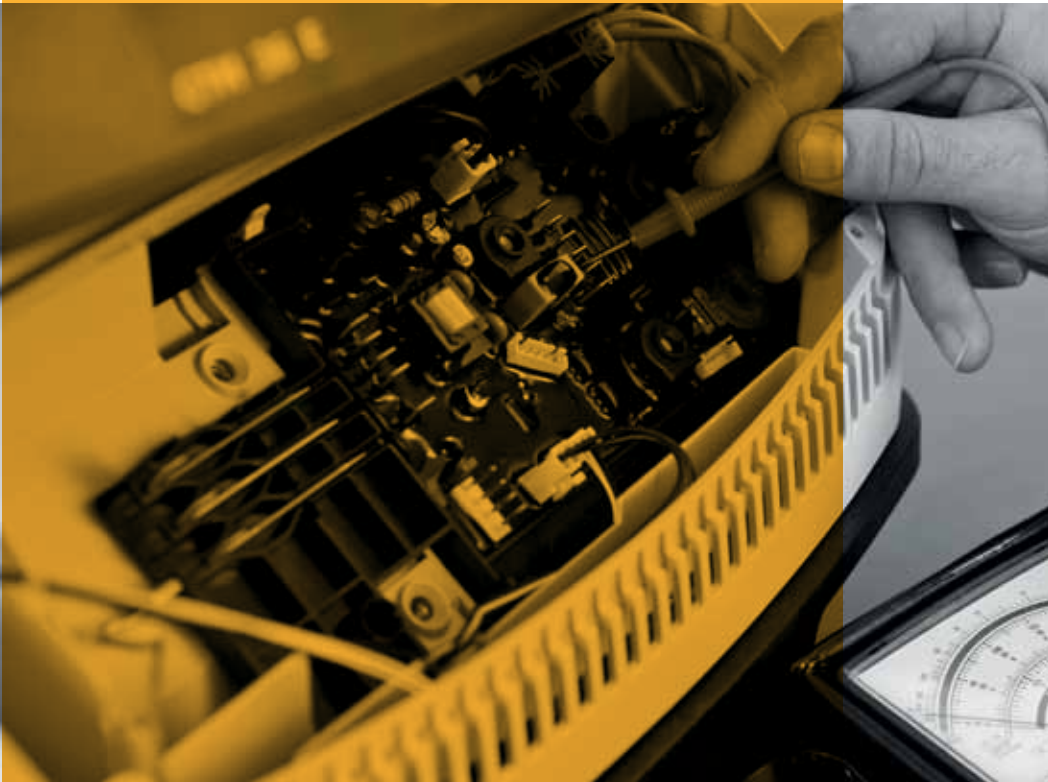
## ELECTRIC LINE CLEARANCE CONSULTATIVE COMMITTEE (ELCCC)

The ELCCC is established under the *Electricity Safety Act* to provide advice to the Minister and to ESV on the maintenance of the Electric Line Clearance Code of Practice which is prescribed in the Electricity Safety (Electric Line Clearance) Regulations. The major focus of the committee this year has been the updating of the code and regulations which sunset in 2010.

In addition, the Minister requested the ELCCC to provide advice by 30 September 2009 on whether the clearance space should be increased, the types of vegetation that should be under or adjacent to electric lines and means to address the dangers of vegetation outside the clearance space falling onto lines. The ELCCC has considered these issues and will be providing the advice as requested. It is anticipated that the revision of the code and regulations in 2010 will address a number of the issues raised by the minister.

The *Electricity Safety Act* requires that electricity companies and other responsible persons submit annual electric line clearance plans to ESV for approval and to comply with the requirements of the Electricity Safety (Electric Line Clearance) Regulations.





### SAFETY CASES

ESV continues its program of safety case compliance audits to confirm that gas safety risks are being managed by gas companies to a level that is as low as reasonably practicable.

This is achieved by using a co-regulatory approach where ESV shares part of the risk for the gas company's safety case by ensuring that all risk associated with the gas business are identified and incorporated with the safety management systems of that business.

Also the audits are a continued improvement process with the gas companies to increase the safety of the gas users and the public.

A safety case sets out the safety policies and business processes developed and implemented by gas companies to demonstrate how they ensure gas is provided safely and reliably to the Victorian community.

During the reporting period there were 37 accepted safety cases overseen by ESV.

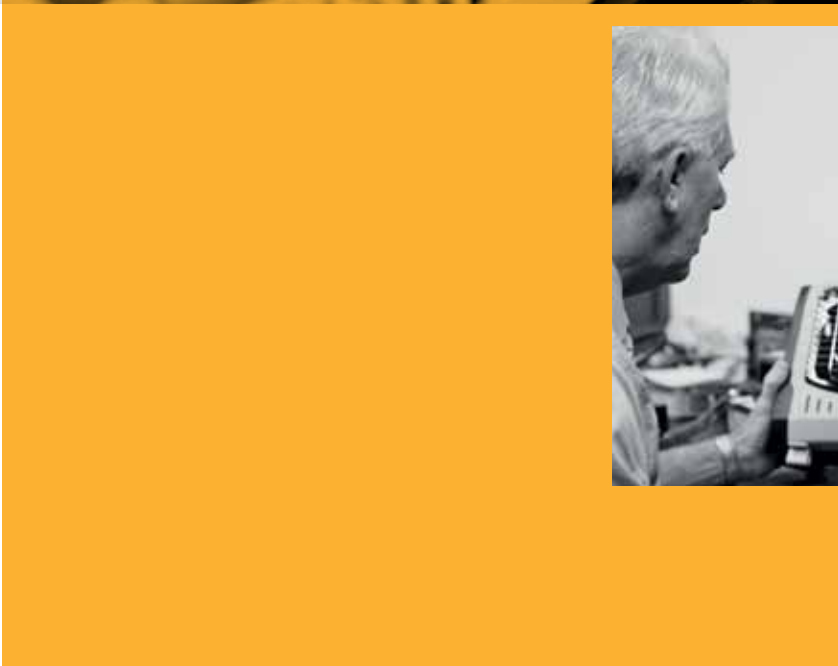
One gas businesses safety case was accepted during the year – for natural gas retailer Energy Australia.

ESV continues its program of safety case compliance audits to confirm that gas safety risks are being managed by gas companies to a level as low as reasonably practicable.

ESV conducted and completed the following 44 safety case audits in 2008/09:

- 11 transmission pipeline company audits (Including VENCORP).
- 6 distribution pipeline company audits.
- 11 natural gas retail company audits.
- 14 LP Gas company audits .
- 2 landfill gas pipeline company audits.

One LP Gas entity, Blue Ribbon Gas was declared as a gas company during the year. Tas Gas Networks took over responsibility for the Tasmanian Gas Pipeline (TGP) from Jemena.



# Safe And Efficient Supply Of Energy

## ELECTROLYSIS

The *Electricity Safety Act 1998* provides a framework for protecting underground and underwater structures from corrosion caused by stray electrical currents. It also establishes the Victorian Electrolysis Committee (VEC) and defines its composition and functions it will perform.

During the year, the Electricity Safety (Stray Current Corrosion) Regulations 2009 were made to replace the 1999 Regulations. In addition, the VEC updated the VEC Code of Practice that sets out the operational procedures regarding registration of cathodic protection systems and the mitigation of stray current corrosion.

As per requirements, during 2008/09 the VEC completed its coordinated monitoring program of the underground metallic structures (i.e. water, gas and oil pipes, and telecommunications and power cables) across the Melbourne metropolitan area to ensure the aims and functions of the VEC were met.

The VEC has been involved with the mitigation works associated with the electrification of the train network from Coolaroo to Craigieburn in the outer north of the city. The VEC has also been proactive in working with the Department of Transport in evaluating the stray current mitigation requirements for the electrification of the train line from Sydenham to Sunbury and the extension of the rail network from Epping to South Morang.

The VEC has continued to monitor, in conjunction with the owners of underground metallic structures, the effects on the structures along the rail routes of the new Siemens trains. The effects seen on the rail network appear to be more significant than on those lines that operate the X'trapolis trains with regenerative braking. Therefore a different approach to the methods used to control the stray traction currents has been developed.

ESV also maintains a register of cathodic protection systems installed in Victoria to protect structures from corrosion. Work has commenced to make this registration system internet based and is expected to be in operation during 2010.

## ESV CONCERN AS CROP DUSTER PLANES STRIKE POWERLINES

ESV is concerned at two incidents in 2008/09 involving planes hitting powerlines while crop dusting.

In one a pilot was taken to hospital after his plane brought down several spans of 22kV conductors near the South Australian border. One of the lines was hit by a train on the main Melbourne–Adelaide rail line.

The east-bound train reportedly dragged the powerlines until they snapped. Some 50 homes were left without power and train activity between Ararat and the SA border was halted for part of the day after extensive damage to signalling.

The 24-year-old pilot of the plane reportedly received burns, bruising and abrasions in the incident. A local police officer said it was unbelievable the pilot survived as the plane caught fire after it crashed in the paddock at Lillimur.

In the other incident, a crop-dusting pilot clipped the Single Wire Earth Return (SWER) high voltage line at Tungamah bringing down eight bays of line. The pilot was unhurt and there was only minor damage to the plane.

The line fuses operated and a Powercor crew isolated the line, with repairs being carried out the next day.

There have been six incidents of planes involved in agricultural operations hitting powerlines reported to ESV over the last 18 months .

It is an offence for planes, gliders, hang gliders, hot air balloons, parachutes, mechanically propelled model aircraft, model gliders and kites to fly within 45 metres of powerlines without an exemption.

Pilots need to apply for an exemption if performing aerial agricultural spraying within 45 metres of overhead powerlines. The exemption is subject to a number of conditions.



Gas Safety Officer Roger Lambie with Manager Gas Installation Safety, Doug Rennie.

### ESV AND POWER COMPANY WARNING ON USE OF GPS SYSTEMS ON FARMS

During the year, ESV and Powercor urged farmers to take great care when operating farm machinery near electricity networks. It followed a serious accident in which a farmer was lucky to escape injury after his tractor collided with a power pole on a property.

The tractor dragged the power pole some 25 metres on the property at Mittyack in North West of Victoria. The driver was using 'Auto Steer' on the tractor linked to a Global Positioning System (GPS) which did not have the pole plotted into the system.

It was the second incident involving a GPS on farms. In 2007/08 there was almost an identical incident recorded at Berrambool, near Apsley in far western Victoria.

Following the latest incident, GPS users were warned to program all potential obstacles on farms before starting any work. This includes power poles, overhead cabling, underground power, earth cables and other possible risks including dams and fences.

They were also warned that they are liable for any costs of repairing damage to the electricity network.

Director of Energy Safety, Ken Gardner, said in a media release that there are obvious risks in taking the GPS technology for granted, so all farmers must remain vigilant about their electrical safety.

"Farmers and others using GPS equipment must always stay alert and make sure they are well prepared before starting work because farming activities often unintentionally create situations where equipment and vehicles come dangerously close to powerlines.

"Being busy is no excuse for not maintaining safety procedures around electrical assets", he said.

Farm equipment such as tractors, trucks, augers, grain bins, excavating equipment and elevating platforms can all reach overhead powerlines.

### ESV SUPERVISES REPAIRS TO MAJOR PORT PHILLIP BAY PIPELINE

In its role as pipeline safety regulator, ESV supervised repairs to a major ethane pipeline which was damaged by the anchor of a cargo ship during a thunderstorm in mid December 2008.

The pipeline carries ethane from ExxonMobil's Long Island Point plant at Hastings overland to Mordialloc and then under Port Phillip Bay to Altona where it supplies Huntsman Chemical Company and Quenos plastic manufacturers.

The anchor of the ship, APL Sydney, cut through the pipeline during the storm on 13 December. No one was injured and 60 tonnes of flammable gas that escaped did not ignite because of wet conditions.

The repairs were completed ahead of the early March 2009 schedule.

The work involved:

- Cutting the damaged sections of the pipeline. The cut ends then underwent mechanical tests to confirm the integrity of the ends of the pipeline where the mechanical connectors were to be installed.

- Fabricated pipe spools (3 nos.) with welded flanges were installed and connected to the LIP side of the pipeline via the mechanical connector.
- Another mechanical connector was also installed on the Altona end of the pipe.
- Mechanical connectors were pressure tested at 6000 kPa to confirm the integrity of the seals.
- The final tie-in spool was fabricated after measuring the exact distance between the flange faces.
- Prior to the installation of the tie-in spool, the pipe sections were flushed with potable water from both sides.
- On completion of the tie-in, the pipeline was hydrotested at 1.25x MAOP, dewatered, air dried and N2 purged until O2 content of 0.2% or less is recorded and the pipeline was with N2.
- Exposed pipeline within the bay was buried in a trench to a depth of about 2 metres.
- Concrete mattresses were placed over the flanges and the mechanical connectors for mechanical protection.





# Safe & Efficient Gas

During a busy year, ESV again met all its roles and responsibilities relating to the safe and efficient supply of gas.

## SERIOUS INCIDENTS

### OUTDOOR HEATER BLAMED FOR MAN'S DEATH

ESV issued a safety alert warning the community to never use outdoor gas appliances such as patio heaters and BBQs indoors. The warning followed the death of a 33-year-old man in a unit behind a property in Altona Meadows in July 2008.

ESV assisted Victoria Police with inquiries into the death.

Initial investigations indicated the person died after using an outdoor table top patio heater, which emitted carbon monoxide and consumed the oxygen inside the unit. The reflector on the top of the heater had been turned on its side in an attempt to point the heat in a particular direction.

Det. Snr. Sgt Tim O'Connor of the Altona North Criminal Investigation Unit told the media at the time that investigators had determined that the death was not suspicious.

"It was cold and he brought the heater inside when it is designed for outdoors only."

The patio heater involved in a man's death at Altona Meadows.



ESV took possession of the heater from the Police to arrange for tests to be conducted on it by an independent laboratory. Tests have revealed the heater was not operating correctly.

Investigations found the residence had been well sealed with an expansion foam to prevent draughts. The gas cylinder for the heater was located outside the residence and a hole had been drilled in a wall for the connecting hose.

The Director of Energy Safety, Ken Gardner, said in the Safety Alert that ESV constantly warns the community that appliances manufactured for outdoors only must never be used inside.

"Unfortunately deaths continue to occur because people are oblivious to the dangers of using outdoor appliances indoors, deliberately ignore the advice for reasons known only to themselves or take a risk thinking nothing can happen to them.

"Outdoor appliances must never be used indoors. It's that simple. It is too dangerous.

"No matter how cold or uncomfortable it might be, it's a very dangerous practice to use outdoor heaters and BBQs inside.

"Outdoor gas appliances are for outdoor use. Apart from using up the oxygen in the confined space of a property, there is also the danger they will cause fires."

A small cooking range of the type which exploded injuring four people in the kitchen of a restaurant at Bulleen.



### FOUR INJURED WHEN BUTANE GAS COOKING RANGE EXPLODES

ESV investigated an incident at a Bulleen Chinese restaurant in which staff received serious facial burns when a small, portable Butane gas cooking range exploded.

Two of the cooking appliances were located at the restaurant. They were placed on top of a freezer cabinet in what is referred to as the "cold kitchen" at the premises.

At the time of the incident a cast iron fry pan was being used on one of the cookers to sear scallops. According to ESV investigations, the second cooker was later turned on but left unattended for some 30 minutes.

Three people, including the restaurant's chef, were in the "cold kitchen" when they heard a noise after the lever knob used to engage the propane cylinder into the appliance, dislodged and fell onto the metal freezer. They had their backs to the cooker at the time.

After hearing the noise, the chef turned towards the two cookers and picked up the one from which the knob had been dislodged. As he lifted the appliance, the explosion occurred.

The chef and his two co-workers, both women, received serious burns to their faces. A fourth person received minor burns as he walked into the area. They all required hospital treatment.

ESV has identified two possible reasons for the explosion – that the appliance had failed to ignite when turned on by the chef, or the gas canister located within the cooker had not properly engaged with it. Both scenarios would have resulted in an escape of gas causing the explosion.

The AGA certification for this appliance is that it is a camping and leisure product.

WorkSafe placed a prohibition order on the restaurant not to use this type of appliance in its commercial kitchen area. WorkSafe also investigated whether the gas canisters used with the cookers comply with the appropriate Australian Standard.



#### ESV WARNING AFTER TWO BOYS BURNED DUE TO LPG ESCAPE

Two boys aged 14 and 11 received serious burns requiring treatment at the Royal Childrens Hospital following an incident involving an LPG cylinder at Werribee. ESV and the CFA investigated the incident.

It also prompted ESV and the fire authorities to issue a joint media release warning the community to be particularly careful over the summer months when handling gas cylinders. It was one of a number of warnings issued by the authorities on BBQ safety in the lead up to the warmer weather.

The CFA report said the two boys had been attempting to cook a meal inside a dome tent erected in the rear yard of a house.

The report said the incident was due to the boys attempting to connect a single ring burner and hose pipe onto an LPG cylinder inside this tent.

As the hose connection for the single ring burner was not compatible with the cylinder valve connection, the boys removed the threaded hose connection and placed the hose into the female section of the cylinder valve, and wrapped both the hose pipe and cylinder valve with a PVC style tape.

As a result of the incident, ESV and the fire authorities provided the following important gas BBQ safety advice:

- Ensure the BBQ and the gas cylinders are in good condition;
- Ensure connecting hoses between the cylinder and appliance are not damaged or leaking gas;
- Ensure hand-tightened cylinder connections are as tight as they can go – in the case of other fittings use a spanner if possible;
- Do not drink too much alcohol when in charge of a BBQ. It can impair judgement and delay appropriate safety activities in cases of emergency;
- Always seek medical attention if a burn occurs.

# Safe & Efficient Gas

## VICTIM OF GAS BBQ FIRE TELLS HER STORY

A woman in Berwick received serious burns – and her home and car were threatened – when a fierce fire erupted after a gas escape caused most probably by a loose connection on a backyard BBQ.

The woman told ESV she was preparing the evening meal on the BBQ. She lit the appliance and went inside to prepare food while waiting for the BBQ to warm up. On returning she was surprised it had hardly warmed up at all and on checking noticed the flame was only burning minutely.

“I fiddled with the knobs to see if that might make a difference and then went to look again at the flame. Suddenly the flame came from the connection to the gas cylinder and shot straight at me.

“I suffered burns to my face, hair, eye brows, neck, chest and arms but I did not realise it at the time. The fire was burning so fiercely my immediate concern was to get my handicapped daughter out of the house, then to save my property and my car which was parked near the BBQ.”

Berwick CFA attended the fire and called an ambulance to take the victim to the Dandenong Hospital where she was kept in overnight to ensure her injuries were not more serious.

The woman's only explanation for the incident was that a few days earlier a friend's 12-year-old son was barbecuing. When he'd finished he assured her he had turned everything off, but on reflection he must just have loosened the connection to the cylinder.

“So when I went to use the BBQ next and turned on the supply at the cylinder there was an escape of gas which built up and eventually ignited. I don't blame him for what happened – I should have made the checks myself.

“I now know what to do to use a detergent and water solution to squirt around the connections and look for any bubbles.

A children's play centre with external patio heaters. The centre was advised to remove them.



A BBQ erupts in flames.





## EQUIPMENT SAFETY

### OUTDOOR GAS HEATERS LOCATED IN CHILDREN'S PLAY CENTRE

Following reports of external gas patio heaters being located inside childrens' play centres, an ESV Gas Inspector found five of the heaters in use at one in Hallam.

The director of the centre in question was interviewed and said he had been told by a representative of an LPG company that such heaters were permitted inside factory type buildings, such as the one in which the centre was located.

He was advised to remove the heaters which were tagged with an ESV "Do Not Open" valve tag.

A letter detailing the non compliance of the installation AS 5601 was also sent to the centre.

### NO NEW FLUELESS GAS HEATERS CAN BE INSTALLED IN RESIDENTIAL PREMISES

With the introduction of the revised Gas Safety (Gas Installation) Regulations 2008, ESV announced to the plumbing industry that the installation of flueless heaters or new bayonet connections for a flueless heater would be prohibited in residential premises, including caravans and marine crafts.

The plumbing industry was told a flueless heater could be replaced in residential premises providing the heater being replaced complies with:

- the new heater operates on LP Gas;
- the emission of oxides of nitrogen from the new heater does not exceed 2.5 ng/J;
- the carbon monoxide/carbon dioxide ratio of the new heater does not exceed 0.002.

ESV also announced there would be a phasing in period for the new regulations as far as the replacement of an existing LPG flueless space heater with a new LPG flueless gas heater in residential premises.

The phasing in period means that when replacing an existing flueless heater, the installation of LPG flueless heaters which met the standard in the previous regulations AS-5601-2004 may be installed, as a replacement only, in residential premises up until 30 November, 2009.

The Gas Safety (Gas Installation) Regulations 2008 also do not allow the installation of flueless heaters to be installed in hospitals, community health centres, day procedure centres, residential care centres, children's service centres, schools or TAFE institutions (excluding a workshop or assembly hall), universities etc.

Gymnasiums and auditoriums are classed as assembly halls.

All new heaters which comply with the new emissions will have labels displaying the emissions rate.

ESV warned that under no circumstances is a connection device for a flueless space heater permitted in residential premises (including a caravan, boats or vessel).

### ESV'S DIRECTION TO GASFITTERS WHEN LOCATING UNFLUED DOMESTIC HEATERS

During the year, ESV directed licensed gasfitters who detected a brand of unflued space heaters, which may be up to 50 years old, to immediately isolate them from the gas supply and arrange for them to be removed and destroyed as soon as practicable.

The direction was issued following the discovery by ESV of three "immediately dangerous" unflued space heaters at a small block of flats in Caulfield. The dangerous condition was due to excessive carbon monoxide in the combustion products.

ESV was alerted to the issue by the owner of one of the flats after being advised by his plumber that the space heater in his property was unflued and may be dangerous. The owner replaced the heater, and because of concern that similar heaters were located in some of the other flats, contacted ESV.

ESV gas inspectors then visited all the eight flats at the block and located three Braemar space heaters. While it was not possible to clearly identify the models in question, ESV believed that they were identical to Braemar space heaters models 64/L6513, 63 as described on page 474 of the former Gas and Fuel Corporation's Natural Gas Appliance Conversion Manual.

For safety reasons all three heaters, which would be approximately 50-years-old were tagged with ESV warning labels. The occupants were advised by ESV that the heaters were unsafe and not to be used.

ESV subsequently received confirmation that the three heaters had been removed. One of them was made available to ESV for further inspection.

A report of the investigation said: "Fortunately ESV was notified of the unflued heaters before anyone was adversely affected. The subsequent inspection located three unflued space heaters, with two of the space heaters being used regularly by the flats' occupants.

"After combustion testing the heaters, ESV deemed the appliances to be immediately dangerous and took immediate action to make the situation safe. ESV's request to have the appliance's removed has been carried out."

It is now ESV policy that Braemar unflued space heaters models 64/L6513 have passed their serviceable life cycle and are unsafe in any condition.



# Safe & Efficient Gas

## ESV REQUIRES COMPANY TO TRACE CARAVANS AND MAKE THEM SAFE

In late 2008 ESV issued a direction to Windsor Caravans Pty Ltd requiring it to trace all vehicles manufactured since 1 May 2007 and arrange checks to ensure the gas fittings in them were tight and safe.

The direction followed reports of a fire in a vehicle at a caravan sales depot in Wodonga caused by a gas leak at the connection to a hot water service. Other Windsor Caravans manufactured vehicles were pressure tested at various sales locations in Victoria and further gas leaks were found in a small number of them.

The direction issued under section of 78 of the Gas Safety Act 1997 required the company at its own expense to undertake the following in respect of every caravan manufactured by it on or after 1 May 2007:

- Ensure that all caravans held by dealers, if not already tested for gas tightness, are tested; and,
- Instruct every dealer who had sold or supplied caravans to which the order applied to send a notice to each customer that they should, at Windsor Caravan's expense, arrange for testing of the caravans for gas tightness by a licensed gasfitter.

The direction also required that caravans found to be not gas tight must be rectified at Windsor's expense.

The company published a Product Safety Recall notice in newspapers around Australia on Friday, 5 December 2008. In addition, more than 1,300 owners of Windsor caravans were contacted while the company also notified the Caravan and Recreational Vehicles Association and its 2000 park operators throughout Australia of the recall.

The vehicles were tested at 14kpa whereas the code requires 7kpa. Normal operating pressure is up to 3kpa. The failure rate detected was well below industry best practice.

ESV did not receive any further reports of fires and/or injuries relating to gas installations in Windsor manufactured vehicles. In addition, there were no reports of leaks received from caravan owners or users in the field.

At the time of the recall, Director of Energy Safety, Ken Gardner, said that it was unusual for a regulatory safety authority such as ESV to mandate a recall of products without there being evidence of at least one failure in the product in question after production processes have been completed. Nevertheless ESV took the action in the interests of safety.

"The relevant gas installation code, Australian Standard (AS) 5601, recognises that fixed pipe work in mobile units such as caravans may leak and therefore has provisions in place, such as locating gas cylinders outside vehicles and ensuring that pipes do not become loose, to mitigate the consequences of any leak," he said.

## At the end of 2008/09 the following statistics applied to the recall:

Number of caravans involved in the recall	1192
Number of vans tested so far	759
Minor leaks found in caravans	13

ESV moved to prohibit the sales of a conversion kit available in hardware stores and on the internet which were claimed to be suitable to convert appliances such as BBQs from LPG to natural gas.



**ESV BANS SALES OF GAS CONVERSION KIT**

ESV moved to prohibit the sales of a conversion kit available in hardware stores and on the internet which were claimed to be suitable to convert appliances such as BBQs from LPG to natural gas.

An analysis of the components used in the kits indicated that in some BBQs the components would not supply enough gas to operate the BBQ correctly and efficiently – nor were some of the components approved for operation in the BBQs listed in the kit.

A safety risk was apparent because the incorrect supply pressure/volume of gas would result in incomplete combustion of the gas and a possible increase in products of combustion including carbon monoxide (CO).

Other associated problems included flashback of the flame to the burner injector, instability of the flame at the burner ports, overheating of inappropriate adjacent surface’s due to the instability of the flame, soot deposit and build up, and possible explosive ignition culminating in an overall dissatisfaction in the overall cooking performance of the appliance.

**SALES OF UNAPPROVED PRODUCTS ON THE INTERNET**

During the year ESV issued a warning that an unapproved product, a Jace Model JHL-610 Gas Cooker Oven with an electrical connection, was being advertised on the internet for sale to the general public.

The Jace JHL-610 was not certified nor had it gone through any approval system. It was therefore not to be installed under any circumstances, said the warning.

Under the Gas Safety Act 1997 as published on 18th January 2009 clause 71, it is an offence to supply or sell unaccepted appliances. Under clause 71A it is an offence to sell unsafe appliances and this clause would also apply to this product.

“The offences still apply even if the product is advertised for sale with a declaration from the vendor stating that it is not certified or approved.”

“ESV advises that licensed/registered plumbers and gasfitters should always check any appliance they are asked to install to ensure they are badged and approved by a licensed authority. A failure to do so would be also deemed an offence.”

**ESV WARNING ON UNAPPROVED HOT WATER HEATERS SOLD ON EBAY**

ESV also issued a warning to people who might have purchased or expressed an interest in purchasing a Takagi SQ 16 Hot Water Heater that the product was not approved for sale in Australia.

ESV commenced legal proceedings against an individual who offered the heaters for sale on eBay. Purchasers were asked to bid for one of the products.

ESV wrote to everyone who placed bids for the heater warning that the product could not be installed as a standalone unit.

The letter said: “As you may be aware the original use of the heater and its original certification by the Australian Gas Association was in combination with a spa package.

“ESV has recently received advice from Takagi Japan, the manufacturers of the water heaters, that they are unable to warrant the safety of the heater as an independent and separate hot water heater and that they cannot supply operating specifications for separate use.

“As a result ESV is unable to assess the safety of the Takagi SQ 16 water heaters under section 69 of the Gas Safety Act 1997.”

The letter said that if any of any of the heaters had been installed they would need to be removed without delay because of safety considerations.



A flueless gas heater can look like any other when viewed from the front – but side on one can see there is no flue.

# Safe & Efficient Gas

## CARBON MONOXIDE EMISSIONS LEAD TO RECALL OF VULCAN HERITAGE HEATERS

Following laboratory and field investigations, ESV issued a recall notice on Climate Technologies Vulcan Heritage 48 Series Space Heater inbuilt and console models manufactured from 1 July 2007.

An independent test found the burner configuration in the appliances was compromised and could lead to them being unsafe because of high levels of carbon monoxide detected in the test.

Initially the recall applied only to Victoria.

An ESV letter to the company said a product verification audit detected sealed gas ports in the burner of a Vulcan Heritage Space Heater in December 2007.

Consequently, the Australian Gas Association (AGA) requested a combustion test on the appliance. That test, conducted in May 2008, found high levels of carbon monoxide emissions.

Field inspections of eight appliances were then carried out in April this year and one appliance was found to have high CO emissions. The unit was removed and tests by an independent laboratory found the burner configuration was compromised.

The AGA report in December 2008, noted the cause of the CO emissions was a bowing radiant support bar which in turn was caused by an incorrect burner alignment.

There also were reports of unusual flame colours in the heater from August 2002 to November 2007.

Under the terms of the recall, the company was required at its expense to locate every installed Vulcan Heritage Space Heater in Victoria manufactured on or after 1 July 2007 through an advertising campaign.

The advertisements were to be placed every Wednesday and Saturday in The Age, the Herald Sun and in every Victorian regional newspaper.

The company was also required at its expense to repair/rectify the defect of every installed Vulcan Heritage Space Heater and reinstall each unit, where applicable.

It also had to locate and repair/rectify any Vulcan Heritage Space Heater held in stock anywhere in Victoria.

## ESV DIRECTION ON PORTABLE UNFLUED BUTANE HEATER

Late in 2008/09, ESV issued a prohibition notice on Primus Australia Pty Ltd prohibiting the company from supplying or selling a Companion Portable Butane Unflued Space Heater Model 509112. At the time of ESV's action, the product had not been certified for use or sale within Australia.

ESV told the company it had received information that the heater in question, Certificate Number GSCS20069, had some issues as to the requirements of AS 2658–2008. A number of discrepancies were identified between a sample product purchased for inspection and what is required by the Standard.

Faults identified and not necessarily confined to the following were:

- No serial number provided;
- No markings on the packaging;
- Incorrect marking sizes on the appliance, spacing of the wire guard, etc.

It was on further investigation that it was found that the appliance had not been certified for use or distribution in Australia.

The company was ordered at its expense to locate every Companion Portable Space Heater Model 509112 in Victoria through an advertising campaign.

Advertisements were to be placed prominently every Wednesday and Saturday in The Age, the Herald Sun and in every regional newspaper in Victoria from 27 June to 25 July 2009. The advertising campaign was then to continue each Saturday from 26 July to 17 August 2009 inclusive.

Primus Australia Pty Ltd was also instructed at its expense to arrange for all the affected heaters purchased or offered for sale to be returned to its place of business and placed in quarantine to prevent their reissue.

## NEW VERSION ISSUED OF AS/NZS 1596:2008

A new version AS/NZS 1596:2008, covering the storage and handling of LP Gas was issued during the year to replace the 2002 version. The Standard includes explanation on the location, limits and requirements for the installation of LP Gas cylinders.

The completion and issuing of the updated 2008 Standard has allowed Energy Safe Victoria, WorkCover, MFB, CFA and some LP Gas Companies to work on a Code of Practice for the Safe Use of LP Gas at Public Events.

Briefly, AS/NZS 1596 includes the cylinder/tank location and piping to, and including the first stage regulator.

It also covers piping and components from the outlet of the first stage regulator to any LP Gas meter installed, including the meter.

AS 5601–2004 applies from any LP Gas meter, or from the outlet of a first stage regulator if no gas meter is connected, including the piping, components, appliances, flues and the ventilation of appliances.





Gas Inspector Sam Zappulla conducts a test of a gas appliance in a plant room.

### RISK BASED ACCEPTANCE OF COMPLEX GAS INSTALLATIONS

After a number of months of development, ESV's initiative upgrading the procedure for inspecting Complex Gas Installations and Type "B" appliances will be introduced early in the new financial year.

Currently ESV inspects all Complex Gas Installations without exception. Under the new procedure the installations will be categorised into Low, Medium or High risk dependent on the risk potential of the installation work proposed.

Inspection of all High risk determined installations will continue in all situations.

Inspection of Low and Medium risk installations will be subject to a percentage basis after they are completed and commissioned.

ESV will reserve the right to inspect any Low or Medium risk installation at their discretion. Inspections will be dependent on a number of issues including the installers qualifications or work performance history, and whether for instance the installer has been responsible for non conforming work in the past.

Information sessions on the new procedure will be held prior to its introduction.

The new procedure will benefit gasfitters and their customers as low and medium risk applications will be conditionally accepted, and the ESV number required to obtain a gas meter will be provided to the applicant without the need for an inspection.

The gas meter can then be forward planned with a gas company to meet the completion date of the installation.

Rather than inspect every complex installation, ESV's expert staff will be able to address other important gas safety areas ensuring increased focus on such issues as safety at special events programs; presentations to gasfitters and apprentices; and increased inspections of caravan parks, camping grounds and houseboats.

### STANDARDS DEVELOPMENT

ESV again assisted the development of existing and new Standards for gas appliances and installations through its nominees on the Gas Technical Regulators Committee. It was another busy year for reviewing existing Standards and developing new ones.

For instance, considerable input was provided to updating of AS 5601 Gas Installations. The Standard is due to be republished in 2010.

The revision of AS 3814 and AS 1375 covering large gas fired Type B appliances was completed during the year and both Standards are due to be re-published soon.

ESV is also represented on Australian Standards Committee AG-01 responsible for some sixteen Type A gas appliance Standards. A new Standard for the essential safety requirements of gas appliances was developed and this should be published shortly.

### GUIDANCE AND INTERPRETATION OF STANDARDS

ESV gas inspectors answered in excess of 6000 inquiries through the technical helpline which operates during business hours. The service is available to gasfitters, the industry and gas users who seek guidance on technical and safety issues and the interpretation of Standards. Most enquiries during 2008/09 were from gasfitters seeking guidance on gas installation practice and AS 5601 Gas Installations. Frequently asked questions are answered by Information Sheets made available on ESV's website, these sheets can be downloaded to provide a convenient resource for practitioners.

### EDUCATION AND UPDATING OF PRACTITIONERS AND INDUSTRY

To meet its commitment to improving the technical competency of gasfitting, ESV has been placing greater emphasis on making gas inspectors available to trainees and teachers within Colleges of TAFE. This work continued through 2008/09.



# Performance Measures

## Standards and Best Practice

OUTCOME AND MEASURES	2006-07	2007-08	2008/09 TARGET	2008/09 ACTUAL
ELECTRICITY				
Electricity caused deaths (number)	2	1	0	1
Electricity involved deaths (number)	2	0	0	0
Electricity suicides (number)	3	0	0	4
Electricity involved serious injuries (number)	44	75	0	56
Electricity involved non – serious injuries (number)	670	753	0	614
Electricity involved serious incidents without injury (number)	69	85	0	198
Electricity involved non-serious incidents without injury (number)	618	410	0	426
Electricity-related fires (number)	2844	3738	0	3261

### Notes

The total of the figures for incidents and injuries for Safe Networks and Safe Installations and Appliances may be greater than the total figures for ESV because some incidents relate to both areas.

OUTCOME AND MEASURES	2006-07	2007-08	2008/09 TARGET	2008/09 ACTUAL
GAS				
Gas caused deaths (number)	2	0	0	1
Gas involved deaths (number)	0	0	0	0
Gas involved suicides (number)	0	0	0	0
Gas involved injuries (number)	29	47	0	32
Gas related fires (number)	142	207	0	74

## Safe Materials, Components and Appliances

OUTCOME AND MEASURES	2006–07	2007–08	2008/09 TARGET	2008/09 ACTUAL
<b>ELECTRICITY</b>				
Recalls (number)	6	9	0	7
Compliant equipment submitted for safety approval (percentage)	97	97	99	99
Compliant equipment check tested for safety (percentage)	96	97	95	95
Electrical appliances on display in retail outlets with an accurate approvals marking (percentage)	98	96	96	97
Compliant equipment submitted for energy efficiency approval (percentage)	99	100	98	100
Compliant equipment check tested for energy efficiency (percentage)	97	97	95	
Electrical appliances on display in retail outlets with an accurate energy rating label (percentage)	96	96	98	99
<b>GAS</b>				
Type B appliance submissions (assessed/inspected) (number)	1,122	1,132	1,125	1,081
Type B appliance installations found defective (percentage)	18	15	14	15
Complex installation inspections (number)	4,050	3,475	3,200	3,087
Complex installations found defective (percentage)	17	13	12	11
Major public and regional events audited for safety	59	185	79	25
Type A appliances assessed (Australian Gas Association Tier 2) (number)	252	140	130	130
Type A appliance Point of sale audits (number)	27	17	14	13
Industry presentations	44	60	20	30
TAFE contact days	7	2	5	12
Operational days for 1800 Technical Helpline	0	250	–	–
Call received 1800 Technical Helpline	0	6,100	–	–



# Performance Measures

## Skilled Workforce

OUTCOME AND MEASURES	2006-07	2007-08	2008/09 TARGET	2008/09 ACTUAL
<b>ELECTRICITY</b>				
<b>Workers Working on the Network</b>				
Compliant transmission company line workers (percentage)	99	99	100	99
Compliant distribution company line workers (percentage)	99	99	100	99
<b>Workers Working on Installations</b>				
Compliant licensed electrical inspectors (percentage)	57	63	81	62
Compliant registered electrical contractors (percentage)	59	75	81	79
Compliant licensed electrical installation workers (percentage)	65	75	81	72
Compliant inspection companies (percentage)	100	100	95	100
Compliant prescribed electrical work (percentage)	99	97	92	79
Compliant non-prescribed electrical work (percentage)	93	89	92	87

## Safe, Secure and Efficient Networks, Facilities and Installations

OUTCOME AND MEASURES	2006-07	2007-08	2008/09 TARGET	2008/09 ACTUAL
<b>ELECTRICITY</b>				
<b>Safe Networks</b>				
Electricity caused deaths (number)	0	1	0	1
Electricity involved deaths (number)	0	0	0	0
Electricity suicides (number)	0	0	0	0
Electricity involved serious injuries (number)	8	9	0	8
Electricity involved non-serious injuries (number)	350	352	0	330
Electricity involved serious incidents without injury (number)	20	13	0	100
Electricity involved non-serious incidents without injury (number)	515	242	0	317
Electricity-related fires (number)	1317	850	0	948
Priority 1 incidents responded to within 24 hours (percentage)	100	100	100	100
<b>Safe Installations &amp; Appliances</b>				
Electricity caused deaths (number)	2	0	0	0
Electricity involved deaths (number)	2	0	0	0
Electricity suicides (number)	3	0	0	4
Electricity involved serious injuries (number)	36	66	0	47
Electricity involved non-serious injuries (number)	326	401	0	282
Electricity involved serious incidents without injury (number)	49	72	0	98
Electricity involved non-serious incidents without injury (number)	106	168	0	109
Electricity-related fires (number)	1527	2888	0	2313

Note:

The total of the figures for incidents and injuries for Safe Networks and Safe Installations and Appliances may be greater than the total figures for ESV because some incidents relate to both areas

## Standards and Best Practice

OUTCOME AND MEASURES	2006–07	2007–08	2008/09 TARGET	2008/09 ACTUAL
<b>GAS</b>				
<b>Networks</b>	0	0	0	0
Gas involved deaths (number)	0	0	0	0
Gas involved suicides (number)	4	6	0	2
Gas involved injury (number)			0	1
Damage to assets <1,050 kPa (number)	3,805	3,789	0	3,828
Damage to assets >1,050 kPa (number)	0	0	0	10
Emergencies > Level 2 (number)	21	14	0	58
Loss of supply affecting > 5 customers (number)	67	58	0	0
Loss of supply affecting > 100 customers (number)	3	0	0	0
Loss of supply affecting > 1,000 customers (number)	0	0	35	38
Accepted safety cases (number)	36	37	35	38
Safety case audits per company per annum (number)				
– Natural Gas Transmission & Distribution	1.38	1.38	–	1.38
– Other	1.00	1.00	–	1.00
– Retail	1.21	1.00	–	1.10
– LPG	1.32	1.30	–	1.36
Emergency management exercises per company per year	1.34	0.65	2	1.30
Priority 'A' emergency calls responded to within 60 minutes (percentage)				
– Metropolitan BH	97	96	–	97
– Metropolitan AH	93	92	–	94
– Country (all hours)	95	96	–	98
<b>GAS USE</b>				
Gas caused deaths (number)	2	0	0	0
Gas involved suicides (number)	1	0	0	0
Gas involved injury (number)	25	41	0	22
Reported fires/explosions/asphyxiation – (number)				
– Gas caused	110	81	0	23
– Gas directly involved	180	158	0	45
– Gas incidentally involved	20	70	0	14
– Gas not involved	30	23	0	11
– Cause unknown	45	56	0	3
– Total	<b>385</b>	<b>388</b>	<b>0</b>	<b>96</b>
Consultative workshops (number)	6	6	8	7

# Performance Measures

## Educated Community and Safety Partners

OUTCOME AND MEASURES	2008/09 TARGET	2008/09 ACTUAL
COMMUNITY		
Reach of public awareness campaign (percentage)	95%	89%
Recall of electricity safety messages (percentage)	–	
“Take care when cooking”		65%
“Always use a licensed electrician”		51%
“Gas BBQ safety”		45%
“Ensure gas appliances are serviced regularly”		43%
Satisfaction with public awareness campaign (percentage)	92%	84%

## Professional Organisation

OUTCOME AND MEASURES	2007–08	2008/09 TARGET	2008/09 ACTUAL
FINANCIAL			
Income to expenses ratio (number)	1.02	1.03	1.07
Industry levies to total revenue (percentage)	43%	45%	45%
Human Resources			
Employee satisfaction* (percentage)	63	67	62
Employees retained (percentage)	85	85	86.7
Lost time injuries	0	0	3

\*As determined by the people matter survey



# Financial Statements Contents

OPERATING STATEMENT FOR YEAR ENDED 30 JUNE 2009	54
BALANCE SHEET AS AT 30 JUNE 2009	55
STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2009	56
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009	56
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009	
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES	57
NOTE 2 REVENUE	60
NOTE 3 DEPRECIATION AND AMORTISATION	60
NOTE 4A EMPLOYEE BENEFITS EXPENSE	60
NOTE 4B OTHER EXPENSES FROM ORDINARY ACTIVITIES	61
NOTE 5 CURRENT ASSETS – RECEIVABLES	61
NOTE 6 NON-CURRENT ASSETS – PLANT AND EQUIPMENT	62
NOTE 7 NON-CURRENT ASSETS – INTANGIBLES	63
NOTE 8 CURRENT LIABILITIES – PAYABLES	64
NOTE 9A CURRENT LIABILITIES – PROVISIONS	64
NOTE 9B EMPLOYEE BENEFITS	64
NOTE 10A CASH FLOW STATEMENT	65
NOTE 10B CASH AND CASH EQUIVALENTS	65
NOTE 11 FINANCIAL INSTRUMENTS	66
NOTE 12 EQUITY	70
NOTE 13 CONTINGENT LIABILITIES	70
NOTE 14 AUDITORS' REMUNERATION	70
NOTE 15 COMMITMENTS FOR EXPENDITURE	71
NOTE 16 SUPERANNUATION	71
NOTE 17 MINISTERS AND ACCOUNTABLE OFFICERS	71
NOTE 18 REMUNERATION OF EXECUTIVES	72
ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION	72
AUDITOR-GENERAL'S REPORT	73

# Operating Statement For Year Ended 30 June 2009

	NOTES	YEAR ENDED 30 JUNE 2009 (\$'000)	YEAR ENDED 30 JUNE 2008 (\$'000)
<b>REVENUE</b>			
Revenue from ordinary activities	2a	19,586	18,777
Revenue from outside of ordinary activities	2b	1,281	1,152
<b>Total Revenue from continuing activities</b>		<b>20,867</b>	<b>19,929</b>
<b>EXPENSES</b>			
Employee benefits expense	4a	(9,580)	(9,218)
Compliance Audits		(1,993)	(2,043)
Depreciation & Amortisation	3	(535)	(689)
Other expenses from ordinary activities	4b	(7,404)	(7,586)
<b>Total expenses from continuing activities</b>		<b>(19,512)</b>	<b>(19,536)</b>
<b>Net result from continuing activities</b>		<b>1,355</b>	<b>393</b>

The above Operating Statement should be read in conjunction with the accompanying notes

# Balance Sheet as at 30 June 2009

	NOTES	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	10b, 11	5,911	4,045
Receivables	5, 11	1,500	1,956
Prepayments		114	–
<b>Total Current assets</b>		<b>7,525</b>	<b>6,001</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	564	737
Intangibles	7	1,212	669
<b>Total Non-current assets</b>		<b>1,776</b>	<b>1,406</b>
<b>Total assets</b>		<b>9,301</b>	<b>7,407</b>
<b>CURRENT LIABILITIES</b>			
Payables	8, 11	1,385	830
Fees in advance		136	145
Provisions	9a	2,608	2,615
<b>Total Current liabilities</b>		<b>4,129</b>	<b>3,590</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		–	–
<b>Total Non-current liabilities</b>		<b>–</b>	<b>–</b>
<b>Total liabilities</b>		<b>4,129</b>	<b>3,590</b>
<b>Net Assets</b>		<b>5,172</b>	<b>3,817</b>
<b>EQUITY</b>			
Contributed Capital	12a	3,610	3,610
Accumulated Surplus	12b	1,562	207
<b>Total equity</b>		<b>5,172</b>	<b>3,817</b>

The above Balance Sheet should be read in conjunction with the accompanying notes

# Statement of Recognised Income and Expense for the Year Ended 30 June 2009

# Cash Flow Statement for the Year Ended 30 June 2009

	NOTES	YEAR ENDED 30 JUNE 2009 (\$'000)	YEAR ENDED 30 JUNE 2008 (\$'000)
Net result for the financial year	12b	1,355	393
<b>Total Recognised Income and Expense for the financial year</b>		<b>1,355</b>	<b>393</b>

The Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes.

	NOTES	YEAR ENDED 30 JUNE 2009 (\$'000)	YEAR ENDED 30 JUNE 2008 (\$'000)
		INFLWS (OUTFLWS)	INFLWS (OUTFLWS)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of goods and services tax)		21,283	20,355
Net Goods and Services Tax recovered from (paid to) ATO		698	804
Interest received		267	222
Payments to suppliers		(9,802)	(11,514)
Payments to employees		(9,661)	(8,535)
<b>Net cash inflow/ (outflow) from operating activities</b>	10a	<b>2,785</b>	<b>1,332</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for plant and equipment		(145)	(183)
Additions of intangibles		(774)	(582)
<b>Net cash (outflow) from investing activities</b>		<b>(919)</b>	<b>(765)</b>
<b>Net increase (decrease) in cash held:</b>		<b>1,866</b>	<b>567</b>
Cash & cash equivalents at the beginning of the financial year		4,045	3,478
<b>Cash &amp; cash equivalents at the end of the financial year</b>	10b	<b>5,911</b>	<b>4,045</b>

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



# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the Australian Accounting Standards Board (AASB), and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report also complies with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

These financial statements have been authorised for issue by Anthony DeJong, Chief Financial Officer, on 03 September 2009.

### b) Enabling legislation

Energy Safe Victoria is given the authority to operate by way of the *Electricity Safety Act 1998*, the *Gas Safety Act 1997*, *Pipelines Act 2005* and the *Energy Safe Victoria Act 2005*.

### c) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets or liabilities are presented on a gross basis.

### d) Cash & cash equivalents

For purposes of the cash flow statement, cash includes deposits at call and other highly liquid investments with short terms to maturity, which are readily convertible to cash on hand, normally within 90 days, and that are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

### e) Receivables

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

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

### f) Plant and Equipment

All items of plant and equipment are recorded in the accounts at historical cost. All assets are capitalised if the purchase price exceeds \$1,000. Plant and equipment is depreciated over the estimated useful economic life of the asset to Energy Safe Victoria. Property, Plant & Equipment is recorded at fair value and management's assessment is that the depreciated cost recorded approximates fair value.

The following categories of Property, Plant & Equipment are utilised by Energy Safe Victoria for accounting purposes:

– Furniture and Fixtures	30% – 40%
– Office Machines	30% – 40%
– Office Computers	30% – 40%
– Leasehold Improvements	30% – 40%

### g) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as patents, trademarks, goodwill, computer software and development costs (where applicable).

Intangible assets are recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Energy Safe Victoria.

Amortisation is allocated to intangible assets with finite useful lives on a systematic basis over the asset's estimated useful economic life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Software is amortised over its useful life to Energy Safe Victoria and is calculated on the asset's estimated useful economic life from the date that it is ready for use. This ranges from 14% to 30%.

Energy Safe Victoria only recognises software, ready-made or purpose-built, in its categorisation of intangible assets and the useful life of each such item is dependent on its actual usage.

### h) Employee Benefits

#### i) Wages and Salaries

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

#### ii) Employee Benefits Provision

AASB 119 requires the calculation of employee provisions to be reflective of the expected future wage and salary levels of current employees, inclusive of on-costs. During the year from 1 July 2008 to 30 June 2009, Energy Safe Victoria has calculated employee provisions in accordance with the requirements set out in AASB 119.

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## h) Employee Benefits (continued)

### iii) Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. (Refer: Note 9b).

### iv) Superannuation

The amount charged to the Operating Statement in respect of superannuation represents the contributions made by Energy Safe Victoria to the EquipSuper Pty Ltd Fund as Energy Safe Victoria's default fund, and to other funds as elected by employees under Super Choices legislation. These contributions are based on the requirements of the Superannuation Guarantee Levy and the salary sacrifice provisions of its enterprise bargaining agreement. (Refer: Note 16).

### i) Payables

These amounts represent liabilities for goods and services provided to Energy Safe Victoria prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### j) Revenue Recognition

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

Specifically, material revenues arise from the following:

- Registration and Licence fees paid by electrical workers – recognised upon receipt by ESV.
- Sales of certificates of electrical safety – recognised upon invoicing.
- Fees paid by manufacturers and importers of electrical equipment for certificate of safety approval prior to the goods being made available for sale – recognised upon invoicing.
- Fees paid by manufacturers to cover hazardous location investigations – recognised upon invoicing.
- Levy charged on the Electricity Industry to ensure compliance with the *Electricity Safety Act 1998* and associated Regulations – recognised upon invoicing.
- Levies charged on the Gas Industry to ensure compliance with the *Gas Safety Act 1997* and associated regulations – recognised upon invoicing.
- Levy charged on the Pipelines Industry to ensure compliance with the *Pipelines Act 2005* and associated regulations – recognised upon invoicing.
- Fees paid by members of the Victorian Electrolysis Committee to cover mitigation costs in accordance with the *Electricity Safety Act 1998* – recognised upon invoicing.
- Interest income is recognised as it accrues and is based upon interest rates and tenor applicable to the invested funds – recognised upon receipt by ESV.

### k) Leases

Energy Safe Victoria only utilises operating leases in its activities as it believes that the risks and rewards for the leased items reside with the lessor. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Operating Statement in the periods in which they are incurred.

### l) Financial Instruments

Receivables (Note 5) are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. The collectability of debts is reviewed regularly, and at balance date, to assess the need for specific provision of any doubtful debts.

Payables (Note 8) are recognised for amounts to be paid in the future for goods and services received. Trade payables are normally settled within 30-day terms.

Cash and short term deposits are stated at their nominated amount. Interest is recognised in the Operating Statement when earned. The short term deposit has a weighted maturity of 60 days and effective interest rate of 3.12%.

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

### m) Compliance Audit

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

### n) Rounding of Amounts

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

### o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2009, the following standards and interpretations (applicable to departments) had been issued and were mandatory for financial year ending 30 June 2009. ESV had not adopted these standards early.

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING OR ENDING ON	IMPACT ON AGENCY FINANCIAL STATEMENTS
<i>Standard / Interpretation</i>	AASB approved an Australian Interpretation 12, equivalent to IFRIC 12, applying to private sector operators, but explicitly excludes accounting for public sector grantors.	Beginning 1 Jul 2008	Not applicable.
Interpretation 12 <i>Service Concession Arrangements</i> .	Amendments arise from the release in February 2008 of Interpretation 12 <i>Service Concession Arrangements</i> .	Beginning 1 Jul 2008	Not applicable.
AASB 2008-2 <i>Amendments to Australian Accounting Standards arising from AASB Interpretation 12</i> .	AASB decided to relocate requirements on contributions from AAS 27, 29 and 31, substantively unamended, into AASB 1004 as part of its short-term review of AAS 27, AAS 29, and AAS 31.	Beginning 1 July 2008	Not applicable.
Revised AASB 1004 <i>Contributions</i>	As part of the short-term review of AAS 27, AAS 29, and AAS 31, AASB decided to relocate the requirements for the disclosure of administered items from AAS 29, substantively unamended (with some exception as noted in Appendix A) into a new topic-based standard AASB 1050.	Beginning 1 July 2008	Not applicable.
AASB 1051 <i>Land Under Roads</i>	The new pronouncement AASB 1051 <i>Land Under Roads</i> provides the option to recognise or not recognise land under roads acquired before the end of the first reporting period ending on or after 31 December 2008. Land under roads acquired after 31 December 2008 should be accounted for following requirements of AASB 116 <i>Property, Plant and Equipment</i> .	Beginning 1 July 2008	Not applicable.
AASB 1052 <i>Disaggregated Disclosures</i>	The State is yet to decide whether to change its policy. Until a conclusion is reached, the current default position is that land under roads will not be recognised.	Beginning 1 July 2008	Not applicable.
AASB 2008-09 <i>Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31</i>	AASB decided to relocate requirements relating to reporting of disaggregated information from AAS 27 and AAS 29 into AASB 1052, a new topic-based standard, as part of its short-term review of AAS 27, AAS 29 and AAS 31.	Beginning 1 July 2008	Impact expected to be insignificant.
Revised Interpretation 1038 <i>Contributions by Owners made to Wholly-Owned Public Sector Entities</i>	An accompanying amendment standard to amend existing accounting standards as part of the short term review of AAS 27, AAS 29 and AAS 31 in December 2008.	Beginning 1 July 2008	Not applicable.
AASB 8 <i>Operating Segments</i> .	Supersedes AASB 114 <i>Segment Reporting</i> .	Beginning 1 Jan 2009	Not applicable.
AASB 2008-3 <i>Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]</i> .	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be insignificant.

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## Note 2: Revenue

	YEAR ENDED 30 JUNE 2009 (\$'000)	YEAR ENDED 30 JUNE 2008 (\$'000)
<b>A) REVENUE FROM ORDINARY ACTIVITIES</b>		
Licence Fees	2,800	2,844
Emergency Telephone Service Fees	60	314
Safety Case Audit Fees	165	154
Approval Fees	526	620
Certificates of Electrical Safety	5,284	4,839
Electrolysis	1,118	1,082
Appliance Efficiency	171	163
Hazardous Location Investigations	6	113
Safety Management Schemes	139	134
Other	18	30
<b>Sub Total fees</b>	<b>10,287</b>	<b>10,293</b>
Industry Levy – Electricity	3,639	3,486
Industry Levy – Gas	5,360	4,853
Industry Levy – Gas Pipelines	300	145
<b>Total revenue from ordinary activities</b>	<b>19,586</b>	<b>18,777</b>
<b>(B) REVENUE FROM OUTSIDE THE ORDINARY ACTIVITIES</b>		
Advertising Space Revenue	84	85
Legal Cost Recoveries	39	63
Interest from financial assets that are not at fair value through profit or loss	267	222
Other	891	782
<b>Total revenue from outside ordinary activities</b>	<b>1,281</b>	<b>1,152</b>
<b>Total Revenue from continuing activities</b>	<b>20,867</b>	<b>19,929</b>

Other revenue comprises income from sub-tenancy agreements, workers compensation reimbursements, staff contributions to motor vehicle expenses, sundry advertising co-contributions, and a contribution from the Department of Primary Industries (for the electronic Certificate of Electrical Safety programme).

## Note 3: Depreciation And Amortisation

Outlined below are the amounts charged for depreciation and amortisation in the current period for each class of asset in the Balance Sheet:

	YEAR ENDED 30 JUNE 2009 (\$'000)	YEAR ENDED 30 JUNE 2008 (\$'000)
Furniture and Fixtures	21	40
Office Machines/Computers	210	406
Software	246	150
Leasehold Improvements	58	93
	<b>535</b>	<b>689</b>

## Note 4a: Employee Benefits Expense

Outlined below is the detailed breakdown related to employee benefits expense:

	YEAR ENDED 30 JUNE 2009 (\$'000)	YEAR ENDED 30 JUNE 2008 (\$'000)
<b>SALARIES</b>	<b>8,346</b>	<b>8,580</b>
<b>ON-COSTS</b>		
Superannuation (note 16)	574	168
Annual Leave (movement)	38	63
Long Service Leave (movement)	(23)	(242)
Workers Compensation	74	62
Payroll Tax	426	401
Fringe Benefits Tax	145	186
<b>Subtotal On-costs</b>	<b>1,234</b>	<b>638</b>
	<b>9,580</b>	<b>9,218</b>



#### Note 4b: Other Expenses From Ordinary Activities

	YEAR ENDED 30 JUNE 2009 (\$'000)	YEAR ENDED 30 JUNE 2008 (\$'000)
Rent	894	870
Advertising	1,672	1,313
Motor Vehicle Expenses	1,125	1,147
Printing & Stationery	600	385
Telecommunications	280	257
Consulting Fees	293	609
Emergency Response	59	58
Emergency Response Telephone	32	319
Business Services	30	24
Legal Fees	409	19
Admin Fees – Certificates of Electrical Safety	252	240
Insurance	278	419
Computer Expenses	492	471
Travel Expenses	134	107
Training & Education	94	164
Compliance & Audit Services (including Bushfire Mitigation)	208	153
Office Equipment	88	105
Committee Member Fees	22	23
Hazardous Location Investigations	5	27
Bad Debts Expense/Provision for Doubtful Debts	83	540
Other	354	336
	7,404	7,586

#### Note 5: Current Assets – Receivables

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Approval fees	50	190
Electrolysis fees	86	211
Appliance Efficiency fees	60	38
Distribution Businesses	722	936
Agent – Certificate of Electrical Safety	636	690
G.S.T. Input Tax Credit	0	138
General	46	209
	1,600	2,412
Less Provision for Doubtful Debts	(100)	(456)
	1,500	1,956

An amount of \$45,742 reported as General Receivable for the Year Ended 30 June 2009 relates to the work undertaken by Energy Safe Victoria for the installation of electrical equipment in hazardous locations throughout the State, ESV magazine, National Checktesting programme, sub-tenant lessees, Blue Book scheme participants, pipelines levy businesses and safety management schemes holders. A provision for doubtful debts has been established of \$100,000 which follows a review of outstanding debtors.

30 JUNE 2009	PROVISION FOR DOUBTFUL DEBTS (\$'000)
Carrying amount at beginning of financial year	456
Additional provision	84
Amounts written off during the financial year	(440)
Total provision	100

30 JUNE 2008	PROVISION FOR DOUBTFUL DEBTS (\$'000)
Carrying amount at beginning of financial year	121
Additional provision	540
Amounts written off during the financial year	(205)
Total provision	456

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## Note 6: Non-current Assets – Plant And Equipment

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Furniture and fixtures at cost	202	188
<b>Less:</b> accumulated depreciation	(152)	(131)
	50	57
Office Machines at cost	1,196	1,220
<b>Less:</b> accumulated depreciation	(812)	(721)
	384	499
Leasehold Improvements at cost	435	482
<b>Less:</b> accumulated depreciation	(305)	(301)
	130	181
<b>SUMMARY</b>		
Plant and equipment at cost	1,833	1,890
<b>Less:</b> accumulated depreciation	(1,269)	(1,153)
Carrying amount at end of financial year	564	737

### RECONCILIATIONS

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below:

30 JUNE 2009	FURNITURE & FIXTURES (\$'000)	OFFICE MACHINES (\$'000)	LEASEHOLD IMPROVEMENTS (\$'000)	TOTAL (\$'000)
Carrying amount at beginning of financial year	57	499	181	737
Additions	14	111	20	145
Disposals	–	(7)	(7)	(14)
Transfers	–	(9)	(6)	(15)
Depreciation expense	(21)	(210)	(58)	(289)
	50	384	130	564
<b>30 JUNE 2008</b>				
	FURNITURE & FIXTURES (\$'000)	OFFICE MACHINES (\$'000)	LEASEHOLD IMPROVEMENTS (\$'000)	TOTAL (\$'000)
Carrying amount at beginning of financial year	92	753	248	1,093
Additions	5	152	26	183
Disposals	–	–	–	–
Transfers	–	–	–	–
Depreciation expense	(40)	(406)	(93)	(539)
	57	499	181	737

## Note 7: Non-current Assets – Intangibles

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Work In Progress (Software Development)	531	233
	531	233
Software at cost	1,332	774
Less: accumulated amortisation	(651)	(338)
	681	436
<b>Total Intangibles at the end of financial year</b>	<b>1,212</b>	<b>669</b>
<b>30 JUNE 2009</b>		
	<b>INTANGIBLES (\$'000)</b>	
Carrying amount at beginning of financial year	669	
Additions	774	
Disposals	–	
Transfers	15	
Amortisation expense	(246)	
	1,212	
<b>30 JUNE 2008</b>		
	<b>INTANGIBLES (\$'000)</b>	
Carrying amount at beginning of financial year	237	
Additions	582	
Disposals	–	
Transfers	–	
Amortisation expense	(150)	
	669	

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## Note 8: Current Liabilities – Payables

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Payables	1,385	835
GST Output – Sales	–	22
Payroll Suspense	–	–
Rental Bond Held	–	(27)
	1,385	830

## Note 9a: Current Liabilities – Provisions

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Superannuation	4	–
Employee benefits – annual leave	1,125	1,083
Employee benefits – retirement gratuity	27	25
Employee benefits – long service leave (LSL)	1,409	1,437
Taxes	43	70
	2,608	2,615

## Note 9b: Employee Benefits

All annual leave and unconditional vested LSL representing 7+ years of continuous service is:

(a) disclosed in accordance with AASB 101, as a current liability even where the agency does not expect to settle the liability within 12 months as it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months;

(b) Measured at:

- Nominal value under AASB 119 where a component of this current liability is expected to fall due within 12 months after the end of the period, and
- Present value under AASB 119 where the entity does not expect to settle a component of this current liability within 12 months.

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Annual Leave – expected to fall due within 12 months	594	604
Annual Leave – expected to fall due after 12 months	531	479
	1,125	1,083

Energy Safe Victoria does not currently employ anyone with LSL representing less than 7 years of continuous service and therefore all LSL is considered a current liability and has been measured at its nominal value.

	30 JUNE 2009	30 JUNE 2008
Weighted average discount rate	4.478%	6.550%
Number of Employees	90	95



### Note 10a: Cash Flow Statement

Reconciliation of net cash & cash equivalents used in operating activities to operating result.

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Operating surplus	1,355	393
Amounts in operating surplus that do not represent cash (inflows)/ outflows	–	–
Depreciation / Amortisation	535	689
Loss on disposal of plant and equipment	14	–
	1,904	1,082
<b>CHANGE IN ASSETS AND LIABILITIES:</b>		
<b>CURRENT ASSETS</b>		
Decrease/(Increase) in receivables	456	661
Decrease/(Increase) in accruals	–	–
Decrease/(Increase) in prepayments	(114)	179
Decrease/(Increase) in GST receivables	–	71
Net Decrease /(Increase) in current assets	342	911
<b>LIABILITIES</b>		
Increase/(Decrease) in payables	555	(700)
Increase/(Decrease) in GST payables	–	(7)
Increase/(Decrease) in other	(9)	115
Increase/(Decrease) in provisions	(7)	(69)
Net Increase /(Decrease) in current liabilities	539	(661)
Net cash flows from operating activities	2,785	1,332

### Note 10b: Cash And Cash Equivalents

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Cash on hand	2	3
Bank	420	169
Deposits – @ call	476	873
Deposits – Bank Term Deposits/Bills	5,013	3,000
	5,911	4,045
Balances as per balance sheet	5,911	4,045
Balances as per cash flow statement	5,911	4,045

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## Note 11: Financial Instruments

### a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

### b) Table 11.a Categorisation of financial instruments

FINANCIAL ASSETS	NOTE	CATEGORY	CARRYING AMOUNT (\$'000) 2009	CARRYING AMOUNT (\$'000) 2008
Cash and cash equivalents	10b	Cash	5,911	4,045
Receivables	5	Loans & receivables measured at amortised cost	1,500	1,818

FINANCIAL LIABILITIES	NOTE	CATEGORY	CARRYING AMOUNT (\$'000) 2009	CARRYING AMOUNT (\$'000) 2008
Payables	8	Financial liabilities measured at amortised cost.	1,385	808

### c) Credit risk

Credit risk arises from the financial assets of Energy Safe Victoria, which comprise cash and cash equivalents, and trade and other receivables. Energy Safe Victoria's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the organisation. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the agency's financial assets at balance date in relation to each class of recognised financial asset is generally the maximum carrying amount, net of any provision for doubtful receivables.

In addition, Energy Safe Victoria does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest.

Currently Energy Safe Victoria does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

The following table discloses the ageing only of financial assets that are past due but not impaired:

Table 11.b: Interest rate exposed and ageing analysis of financial assets

(\$'000)

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT	INTEREST RATE EXPOSED			NOT PAST DUE AND NOT IMPAIRED	PAST DUE BUT NOT IMPAIRED				IMPAIRED FINANCIAL ASSETS
			FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON INTEREST BEARING		LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS	
<b>2009</b>											
LOANS & RECEIVABLES:											
Trade Receivables	-	<b>1,500</b>	-	-	1,500	426	763	96	215	-	100
Cash & cash equivalents:	3.12%	<b>5,911</b>	5,013	898	-	5,911	-	-	-	-	-
		<b>7,411</b>	5,013	898	1,500	6,337	763	96	215	-	100
<b>2008</b>											
LOANS & RECEIVABLES:											
Trade Receivables	-	<b>1,818</b>	-	-	1,818	988	493	211	126	-	456
Cash & cash equivalents:	7.04%	<b>4,045</b>	3,000	1,045	-	4,045	-	-	-	-	-
		<b>5,863</b>	3,000	1,045	1,818	5,033	493	211	126	-	456

**d) Liquidity risk**

Liquidity risk arises when Energy Safe Victoria is unable to meet its financial obligations as they fall due. The agency operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The agency's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Cash for unexpected events is generally sourced from liquidation of available financial investments.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities except as detailed in the following table:

FINANCIAL LIABILITIES AND OTHER LIQUIDITY EXPOSURE	MAXIMUM LIQUIDITY RISK (\$'000)	
	2009	2008
Trade payables	-	-

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

The following table discloses the contractual maturity analysis for Energy Safe Victoria's financial liabilities:

Table 11.c: Interest rate exposure and maturity analysis of financial liabilities

(\$'000)							
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT	NOMINAL AMOUNT	MATURITY DATES			
				LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS - 1 YEAR	1-5 YEARS
<b>2009</b>							
PAYABLES:							
Trade payables	0.00%	1,385	1,385	977	408	-	-
		1,385	1,385	977	408	-	-
<b>2008</b>							
PAYABLES:							
Trade payables	0.00%	808	808	783	25	-	-
		808	808	783	25	-	-

## e) Market risk

Energy Safe Victoria's exposure to market risk is primarily through interest rate risk and it does not have, nor intend to have, any exposure to foreign currency risk, or other price risk.

### Sensitivity disclosure analysis:

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Energy Safe Victoria believes that it has virtually no exposure to market movements.

This analysis represents an analysis of the risk on the return from ESV's cash and cash equivalent assets only and also excludes any financial liabilities as ESV considers its only financial liability to be its payables, which are not subject to market risk.

Table 11.d: Market risk exposure

	CARRYING AMOUNT	INTEREST RATE RISK			
		-2% (200 BASIS POINTS)		+2% (200 BASIS POINTS)	
		NET RESULT	EQUITY	NET RESULT	EQUITY
<b>2009</b>					
FINANCIAL ASSETS:					
Cash and cash equivalents	5,911	(110)	(110)	110	110
Receivables	1,500	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(110)</b>	<b>(110)</b>	<b>110</b>	<b>110</b>
<b>2008</b>					
FINANCIAL ASSETS:					
Cash and cash equivalents	4,045	(148)	(148)	148	148
Receivables	1,818	-	-	-	-
<b>Total increase/(decrease)</b>		<b>(148)</b>	<b>(148)</b>	<b>148</b>	<b>148</b>

As Energy Safe Victoria does not, nor intends to, have exposure to Foreign Exchange and Other Price risk, no sensitivity analysis about these items has been made.



#### f) Fair value

The carrying amounts of financial assets and financial liabilities approximate their net fair value.

	NOTES	30 JUNE 2009 (\$'000)	NET FAIR VALUE (\$'000)	30 JUNE 2008 (\$'000)	NET FAIR VALUE (\$'000)
<b>FINANCIAL ASSETS</b>					
Cash & cash equivalents	10b	5,911	5,911	4,045	4,045
Receivables	5	1,500	1,500	1,818	1,818
		7,411	7,411	5,863	5,863
<b>FINANCIAL LIABILITIES</b>					
Payables	8	1,385	1,385	808	808
<b>NET FINANCIAL ASSETS</b>		<b>6,026</b>	<b>6,026</b>	<b>5,055</b>	<b>5,055</b>

#### Reconciliation of Net Financial Assets to Net Assets

	NOTES	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
<b>NET FINANCIAL ASSETS (AS ABOVE)</b>		<b>6,026</b>	<b>5,055</b>
<b>NON FINANCIAL ASSETS AND LIABILITIES</b>			
Plant & Equipment	6	564	737
Intangibles	7	1,212	669
Prepayments		114	–
Net GST payable (receivable)		–	116
Fees received in advance		(136)	(145)
Provisions	9a	(2,608)	(2,615)
<b>Net Assets per Balance Sheet</b>		<b>5,172</b>	<b>3,817</b>

Note: statutory taxes have been excluded from the above tables.

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## Note 12: Equity

A) CONTRIBUTED CAPITAL	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
Balance at the beginning of the reporting period	3,610	3,610
<b>Total Contributed Capital</b>	<b>3,610</b>	<b>3,610</b>
<b>B) ACCUMULATED SURPLUS</b>	<b>30 JUNE 2009 (\$'000)</b>	<b>30 JUNE 2008 (\$'000)</b>
Accumulated surplus at beginning of the financial year	207	(186)
Result as recognised in the Operating Statement	1,355	393
<b>Accumulated surplus at the end of the financial year</b>	<b>1,562</b>	<b>207</b>
<b>C) TOTAL EQUITY</b>	<b>30 JUNE 2009 (\$'000)</b>	<b>30 JUNE 2008 (\$'000)</b>
Contributed Capital	3,610	3,610
Accumulated Surplus	1,562	207
<b>Total Equity</b>	<b>5,172</b>	<b>3,817</b>

## Note 13: Contingent Liabilities

As a regulator, Energy Safe Victoria has the responsibility to prosecute for breaches of the *Electricity, Gas Safety and Pipelines Acts* and associated regulations. As at 30 June 2009 there are no items that are required to be considered as contingent liabilities

## Note 14: Auditors' Remuneration

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
<b>AUDIT FEES PAID OR PAYABLE TO THE VICTORIAN AUDITOR GENERAL'S OFFICE FOR AUDIT OF ENERGY SAFE VICTORIA'S FINANCIAL REPORT:</b>		
Paid as at year end	23	31

Note: This amount is inclusive of GST.  
No other services were provided by the Victorian Auditor-General's office.

## Note 15: Commitments for Expenditure

	30 JUNE 2009 (\$'000)	30 JUNE 2008 (\$'000)
<b>OPERATING LEASE COMMITMENTS</b>		
<b>(i) Motor vehicles</b>		
Not later than one year	716	788
Later than one year but not later than five years	396	436
Later than five years	–	–
	1,112	1,224
<b>(ii) Office accommodation</b>		
Not later than one year	765	921
Later than one year but not later than five years	2,800	348
Later than five years	–	–
	3,565	1,269
<b>(iii) Office equipment</b>		
Not later than one year	99	99
Later than one year but not later than five years	–	99
Later than five years	–	–
	99	198
<b>Total</b>	<b>4,776</b>	<b>2,691</b>

Note: The 2009/10 gross office accommodation commitment includes the lease on premises and outgoings for 4 Riverside Quay, Southbank, 15 Ceylon Street, Nunawading, 369 Royal Parade, Parkville & 78 Moorabool Street, Geelong.

The above commitments are inclusive of GST.

## Note 16: Superannuation

Energy Safe Victoria contributes to the EquipSuper Pty Ltd Fund (formerly the Victorian Electricity Industry Superannuation Fund), as Energy Safe Victoria's default fund, and to other funds as elected by employees under Super Choices legislation. These contributions are based on the requirements of the Superannuation Guarantee Levy and the salary sacrifice provisions of its enterprise bargaining agreement. Employer superannuation expense for 2008/09 totalled \$574,323 (2007/08 \$168,126).

## Note 17: Ministers and Accountable Officers

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

### NAMES

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

Responsible Minister: The Honourable Peter Batchelor MP  
Minister for Energy and Resources

Accountable Officers: Mr K Gardner  
Director of Energy Safety

Mr K. Gardner was Director of Energy Safety until 9 August 2009. Mr P. Fearon was appointed as Acting Director of Energy Safety from 10 August 2009.

# Notes To and Forming Part of the Financial Statements for the Year Ended 30 June 2009

## Note 17: Ministers and Accountable Officers (continued)

### REMUNERATION – ACCOUNTABLE OFFICER

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

\$210,000 – \$219,999 (2007/08 \$210,000 – \$219,999)

The Accountable Officer's remuneration for the year 1 July 2008 to 30 June 2009 includes payment of annual leave.

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

### OTHER TRANSACTIONS

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

## Note 18: Remuneration Of Executives

INCOME BAND	TOTAL REMUNERATION		BASE REMUNERATION	
	2008/2009	2007/2008	2008/2009	2007/2008
\$110,000 – \$119,999	2	1	3	1
\$120,000 – \$129,999	1	0	1	0
\$130,000 – \$139,999	0	3	0	3
\$140,000 – \$149,999	1	2	1	2
\$160,000 – \$169,999	0	1	0	1
\$180,000 – \$189,999	1	1	0	1
<b>Total Number</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>7</b>
<b>Total Amount</b>	<b>\$685,933</b>	<b>\$967,319</b>	<b>\$614,479</b>	<b>\$967,319</b>

The Office did not engage in any transactions with the above stated persons or their related parties during the year from 1 July 2008 to 30 June 2009 or for the year from 1 July 2007 to 30 June 2008.

During 2008/09, two executive managers retired, one resigned and one elected not to renew his contract. They were replaced by two executive managers.

The above table does not include the remuneration for the Accountable Officer, which has been declared in Note 17.

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

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

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of recognised income and expense, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the Year Ended 30 June 2009 and financial position of Energy Safe Victoria as at 30 June 2009.

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



P FEARON  
ACTING DIRECTOR OF ENERGY SAFETY  
3 SEPTEMBER 2009



A DEJONG  
EXECUTIVE MANAGER CORPORATE SERVICES & LICENSING  
3 SEPTEMBER 2009



## INDEPENDENT AUDITOR'S REPORT

### To the Director, Energy Safe Victoria

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2009 of Energy Safe Victoria which comprises operating statement, balance sheet, statement of recognised income and expense, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

#### *The Director's Responsibility for the Financial Report*

The Director of Energy Safe Victoria is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Director, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)

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

This auditor's report relates to the financial report published in both the annual report and on the website of Energy Safe Victoria for the year ended 30 June 2009. The Director of Energy Safe Victoria is responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Energy Safe Victoria website.

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Energy Safe Victoria as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of *the Financial Management Act 1994*.

MELBOURNE  
4 September 2009

for   
D D R Pearson  
Auditor-General

# Corporate Information

## Statement of Corporate Intent

### 1. KEY OUTCOMES, ASSOCIATED STRATEGIES AND KEY OPERATIONAL ACTIVITIES

An analysis of corporate risks and the business environment, including safety performance, incident statistics, internal strengths and weaknesses, and external opportunities and threats led to ESV placing focus on seven strategic outcomes for the plan period. These outcomes are the high level deliverables that need to be accomplished from ESV activities.

Summary tables for each of the seven outcomes (measures and targets for the coming three years, strategic initiatives to be implemented over the plan period and the associated milestones for the 2009/2010 year and key operational activities which contribute to the outcomes and the associated activity levels to be reached during 2009/2010 follow.

#### KEY OUTCOME NO. 1

	MEASURE	TARGET 2008/2009	PERFORMANCE 2008/2009	TARGET 2009/2010	TARGET 2010/2011	TARGET 2011/2012
<p><b>MODERN SAFETY REGULATION – EFFECTIVE, EFFICIENT AND FAIR</b></p> <p>REVISED LEGISLATION REFLECTING NEW APPROACH.</p> <p>SET OF REGULATIONS AND RULES DESIGNED TO MATCH THE NEEDS AND COMPETENCIES OF STAKEHOLDERS AND ENCOURAGE EXCELLENCE IN STAKEHOLDER PERFORMANCE.</p> <p>MORE CLEARLY DEFINED REGULATORY BOUNDARIES AND RESPONSIBILITIES</p> <p>REDUCE LEGISLATIVE BURDEN.</p>	REMAKE THE FOLLOWING REGULATIONS (2008/2009)					
	– Gas Safety (Safety Case) Regulations	Jan '09	Jan'09			
	– Gas Safety (Gas Installations) Regulations	Jan '09	Jan '09			
	– Electricity Safety (Stray Current Corrosion) Regulations	Apr '09	Apr '09			
	– Electricity Safety (Equipment Efficiency) Regulations	Apr '09	Apr '09			
	– Electricity Safety (Equipment) Regulations	Apr '09	Apr '09			
	REMAKE THE FOLLOWING REGULATIONS (2009/2010)					
	– Electricity Safety (Management) Regulations			Jan '10		
	– Electricity Safety (Installations) Regulations			Jan '10		
	– Electricity Safety (Electric Line Clearance) Regulations			Jan '10		
	REMAKE THE FOLLOWING REGULATIONS (2010/2011)					
	– Electricity Safety (Infringements) Regulations				Dec '10	
	<b>STRATEGIC INITIATIVES</b>		<b>MAJOR MILESTONES 2009/2010</b>			
	1. Complete updating of the electricity and gas safety regime (implement outcomes of regulatory reviews and re–make expiring regulations).		– All “sunsetting” regulations to be remade prior to expiry			
	<b>OPERATIONAL ACTIVITIES</b>		<b>PLANNED ACTIVITY LEVEL 2009/2010</b>			
Electrical investigations		– All investigations to be completed within pre–set times				
Gas investigations		– All investigations to be completed within pre–set times				
Regulations remake		– All “sunsetting” regulations to be remade prior to expiry				
Court prosecutions		– 100% conviction rate for all prosecution matters				

# Corporate Information

## KEY OUTCOME NO. 2

	MEASURE	TARGET 2008/2009	PERFORMANCE 2008/2009	TARGET 2009/2010	TARGET 2010/2011	TARGET 2011/2012
BETTER INFORMED STAKEHOLDERS – IMPROVED CONSULTATION & COMMUNICATION	Reach of safety campaigns [average across campaigns/groups] (%)	60	83	85	85	85
	Recall of safety messages [average across messages/groups] (%)	70	80	83	83	83
PUBLIC AND INDUSTRY EDUCATED IN SAFE USE OF APPLIANCES AND INSTALLATIONS.	Overall stakeholder satisfaction with ESV (%)	70	90	91	92	92
	Unique visitors to the ESV website (no.)	100,000	100,000 <sup>1</sup>	110,000	120,000	130,000
ADOPTING APPROPRIATE TECHNOLOGY (I.E. WEB ENABLED COMMUNICATIONS) TO PROVIDE EASIER ACCESS TO INFORMATION FOR THE BENEFIT OF ALL STAKEHOLDERS.	<b>STRATEGIC INITIATIVES</b>	<b>MAJOR MILESTONES 2009/2010</b>				
	2a Ensure the efficiency and effectiveness of communicating safety information to the community and industry	– All programs implemented.				
ENSURE STAKEHOLDERS ARE SATISFIED WITH ESV SERVICES.	2b Improve the quality of consultation with safety partners, community and industry and responsiveness to stakeholder needs	– All programs implemented.				
ENSURE APPROPRIATE CONSULTATION WITH STAKEHOLDERS WHENEVER POSSIBLE	<b>OPERATIONAL ACTIVITIES</b>	<b>PLANNED ACTIVITY LEVEL 2009/2010</b>				
	Effectively communicate safe use and behaviours around electricity, gas and pipelines to the community and industry, including –	– Complete all operational activities on schedule and within budget				
	Maintain the communications content of the ESV website and produce publications.	– Pursue appropriate sponsorship opportunities. – Undertake three major awareness campaigns.				
	Work with safety partners to promote safety messages.	– Produce four issues of the “energysafe” magazine. – Produce one ESV annual report. – Produce brochures, safety alerts as required. – Undertake at least two joint campaigns with MFB/CFA.				
	Seek both reactive and proactive opportunities through electronic and print media to alert the community to energy safety issues.	– Advertise “Look Up, Look Down – And Live” and “Don’t Work Live” messages in appropriate industry and trade union publications.				
	Maintain a high standard of internal communications including at least 10 staff information bulletins.	– Produce at least ten staff information bulletins each year on behalf of the Director.				
	<sup>1</sup> Estimate as at 30 June 2009					



### KEY OUTCOME NO. 3

	MEASURE	TARGET 2008/2009	PERFORMANCE 2008/2009	TARGET 2009/2010	TARGET 2010/2011	TARGET 2011/2012
SAFE AND RELIABLE GAS SUPPLY, ELECTRICITY SUPPLY AND PIPELINE SYSTEMS	Electrical fatalities – caused (per million population)	0.30	0.19 <sup>1</sup>	0.25 <sup>3</sup>	< 3 yr ave	< 3 yr ave
	MINIMISE DEATHS, INJURIES AND FIRES FROM ELECTRICITY AND GAS SUPPLY SYSTEMS.	Gas fatalities – caused (per million population)	0	0 <sup>1</sup>	0	< 3 yr ave
ENSURE APPROPRIATE COMMUNITY BEHAVIOURS.	Damage to gas assets < 1,050 kPa (no.)	3,653	3,885 <sup>2</sup>	3,780 <sup>4</sup>	< 3 yr ave	< 3 yr ave
	Damage to gas assets > 1,050 kPa (no.)	1	1 <sup>2</sup>	1 <sup>4</sup>	< 3 yr ave	< 3 yr ave
EFFECTIVE MANAGEMENT OF SUPPLY EMERGENCIES.	<b>STRATEGIC INITIATIVES</b>	<b>MAJOR MILESTONES 2009/2010</b>				
	3a Reduce the frequency and consequence of unintended contact with gas and electricity supply infrastructure	– Continue implementation of strategies for reducing frequency of contacts with pipelines and power lines.				
INCREASED EFFECTIVENESS OF ASSET MANAGEMENT PHILOSOPHIES AND PRACTICES ADOPTED BY BUSINESSES (TO MEET NEEDS FOR RELIABILITY AND CAPACITY).	3b Development of processes for the roll out of compulsory electricity safety management schemes (ESMS) regime for electricity transmission and distribution	– New regime operational from 1 January 2010.				
	<b>OPERATIONAL ACTIVITIES</b>	<b>PLANNED ACTIVITY LEVEL 2009/2010</b>				
TRANSITION TO COMPULSORY SAFETY MANAGEMENT SCHEMES BY ELECTRICITY TRANSMISSION AND DISTRIBUTION COMPANIES.	Evaluate gas safety cases submitted. Audit compliance with safety cases and monitor gas supply safety outcomes. Ensure maintenance of ESV and industry gas emergency response capability.	– 2 audits per annum for major LPG and gas pipeline company safety cases, 1 per annum for others. – Evaluate gas safety cases as and when submitted.				
	MINIMISE DEATHS, INJURIES AND ENVIRONMENTAL IMPACTS FROM PIPELINES	Evaluate safety and environment management plans submitted by pipeline licensees. Audit compliance with plans and monitor pipeline safety and environmental outcomes.	– 1 audit per annum of major pipeline licensees. – Evaluate pipeline safety management plans and environment management plans as and when submitted.			
Evaluate bushfire mitigation plans, electric line clearance plans, electricity safety management schemes and exemption applications submitted to ESV. Audit compliance with plans and monitor electricity supply safety outcomes.		– 1 audit per annum of bushfire management plans for electricity network operators. – Evaluate bushfire management plans (20 per annum) prior to bushfire season. – Evaluate electric line clearance plans (86 per annum) and electricity safety management schemes when submitted.				
Manage stray current corrosion of underground assets through operation of the Victorian Electrolysis Committee (VEC), registration of cathodic protection systems and performance of field tests on stray current corrosion mitigation systems		– Chair the VEC and technical subcommittee. – Co-ordinate 22 area tests per annum. – 1,200 drainage bonds and 72 thyristor drainage units tested 10 times per annum.				
	<sup>1</sup> Year end estimates <sup>2</sup> 12 months figure estimated from the total of actual data of the first nine months for 2008/2009. <sup>3</sup> Three year average to 30 June 2008. <sup>4</sup> Average of the actual performance of 2006/2007, 2007/2008 and the estimated performance of 2008/2009.					

# Corporate Information

## KEY OUTCOME NO. 4

	MEASURE	TARGET 2008/2009	PERFORMANCE 2008/2009 <sup>1</sup>	TARGET 2009/2010	TARGET 2010/2011	TARGET 2011/2012
SAFE AND EFFICIENT APPLIANCES AND SAFE INSTALLATIONS	Electrical fatalities – caused (per million population)	0.40	0	< 3 yr ave	< 3 yr ave	< 3 yr ave
ENHANCE INCIDENT MANAGEMENT, INVESTIGATIONS AND LEARNINGS.	Gas fatalities – caused (per million population)	0.07	0.19	< 3 yr ave	< 3 yr ave	< 3 yr ave
	Compliant electrical installations (%)	92	85	93	94	95
IMPROVE COMPLIANCE RATES.	Undertake investigations of incidents within required timeframes (%)	95	87	95	95	96
	Compliance of licensed/registered electrical industry workers [average] (%)	81	72	82	83	84
ENSURE SUSTAINABLE EQUIPMENT AND APPLIANCES.	Safe/approved electrical appliances identified at retail outlets (%)	96	98	96	97	97
IMPROVED ACCESS TO INFORMATION FOR ENERGY WORKERS.	Compliance of electrical appliances for efficiency labelling (%)	98	98	98	98	98
	Compliance of Type B appliances inspected & audited (%)	80	84	85	90	90
	Compliance of other complex gas installations inspected & audited (%)	75	85	78	80	80
	Compliance of standard gas installations audited by PIC (%)	92	88	90	90	90
	<b>STRATEGIC INITIATIVES</b>	<b>MAJOR MILESTONES 2009/2010</b>				
	4a Review the efficiency and effectiveness of the certificate of electrical safety system and the independence and governance of the electrical inspection and auditing system	<ul style="list-style-type: none"> <li>– Data format from all input sources available August 2009.</li> <li>– Implementation completed November 2009.</li> <li>– Enhancements and changes completed February 2010.</li> </ul>				
	4b Introduce a nationally consistent online electrical appliance approvals process	<ul style="list-style-type: none"> <li>– Data format from all input sources available August 2009.</li> <li>– Implementation completed November 2009.</li> <li>– Enhancements and changes completed February 2010.</li> </ul>				
	4c Implement new gas acceptance processes	– Risk based acceptance of complex gas installations in place.				
	4d Introduce improvement and prohibition notice processes	– Develop policy, procedures and implement notices system.				
	4e Review gas appliance efficiency improvements with State and Federal agencies	– Develop draft regulations for Type A gas appliance efficiency.				
	4f Introduce formal consultation with the gas installation industry	– Establish consultation framework and appoint representatives.				
	4g Renewal of the Electricity Safety (Installations) Regulations 1999	<ul style="list-style-type: none"> <li>– RIS completed by July 2009.</li> <li>– Public comment reviewed by November 2009.</li> <li>– Published by January 2010.</li> </ul>				
	<b>OPERATIONAL ACTIVITIES</b>	<b>PLANNED ACTIVITY LEVEL 2009/2010</b>				
	Registered electrical contractor audits	280				
	Licensed Electrical Worker audits	450				
	Licensed Electrical Inspector audits	100				
	Information to industry and stakeholders	120				
	Provide information for safety alerts and articles for the ESV magazine	12				
	Take up of on-line COES system	25%				
	Acceptance of Type B appliances	1,000				
	Audit of Type B appliances in service	100				
	Acceptance of complex gas installations	2,000				
	Audit of Type A appliances at point of sale	40				
	Audit gas safety at public events	60				
	<sup>1</sup> Estimate as at 30 June 2009					

## KEY OUTCOME NO. 5

	MEASURE	TARGET 2008/2009	PERFORMANCE 2008/2009 <sup>1</sup>	TARGET 2009/2010	TARGET 2010/2011	TARGET 2011/2012
STABLE, SUSTAINABLE AND SKILLED INDUSTRY WORKFORCE	Inform and educate stakeholders and those in training on gas safety and technical updates (no. events and sessions)	NA	NA	70	90	100
DEVELOP RATIONAL SKILL SETS FOR INDUSTRY PARTICIPANTS.	Skills maintenance programs in place (no.)	4	5	5	5	5
	<b>STRATEGIC INITIATIVES</b>	<b>MAJOR MILESTONES 2009/2010</b>				
PROMOTE SKILLS MAINTENANCE PROGRAMS.	5a National competencies for industry participants	<ul style="list-style-type: none"> <li>– Electrotechnology training package developed</li> <li>– National “passport” system for electricity and gas distribution and transmission sector implemented</li> <li>– LEA Steering Committee established</li> </ul>				
INCREASE AWARENESS OF SKILLS SHORTAGES IN THE ENERGY SECTOR.						
IMPROVE EFFECTIVENESS/RECOGNITION OF LICENSING OF WORKERS.	5b Promote skills maintenance programs	<ul style="list-style-type: none"> <li>– Training program developed</li> <li>– Electrical hazards awareness training developed</li> <li>– Skills maintenance training for licensed electrical inspectors on renewal of licences implemented</li> </ul>				
IMPROVE COMPETENCY OF GAS INSTALLATION PRACTITIONERS.						
	5c Increased awareness and attractiveness of careers in the energy sector	– Promotion of careers.				
	5d Develop examination papers to ensure gasfitters have the knowledge required by ESV to ensure they are competent to undertake gas work	– Examination papers accepted by TAFE and PIC by December 2010.				
	<b>OPERATIONAL ACTIVITIES</b>	<b>PLANNED ACTIVITY LEVEL 2009/2010</b>				
	Technical helpline for gasfitters (no. days available)	246				
	Total licences in place [electricians, etc] (no.)	37,396				
	Total registrations in place – RECs (no.)	9,410				
	Total registrations in place – others [line workers, etc] (no.)	7,648				
	<sup>1</sup> Estimate as at 30 June 2009 NA Not applicable					

# Corporate Information

## KEY OUTCOME NO. 6

	MEASURE	TARGET 2008/2009	PERFORMANCE 2008/2009 <sup>1</sup>	TARGET 2009/2010	TARGET 2010/2011	TARGET 2011/2012
MOTIVATED, TRAINED, COMMITTED, HIGH PERFORMING WORKFORCE	Employee satisfaction from the "People Matter" survey (%)	67	62	65	68	71
STRONG ATTRACTION AND RETENTION STRATEGIES.	Employee retention (%)	85	87.8	85	85	85
	Lost time injuries (no.)	0	3	0	0	0
EFFECTIVE AND TARGETED STAFF TRAINING AND DEVELOPMENT.	<b>STRATEGIC INITIATIVES</b>	<b>MAJOR MILESTONES 2009/2010</b>				
ACHIEVE POSITIVE WORKPLACE CULTURE.	6a Review, update and disseminate a new ESV Diversity Policy and run diversity training sessions for all ESV staff.	<ul style="list-style-type: none"> <li>– Seek external advice on policy updates.</li> <li>– Consult with staff on revised policy.</li> <li>– Implement revised policy.</li> <li>– Run diversity training sessions for all staff.</li> </ul>				
COMMITTED AND MOTIVATED WORKFORCE.	6b Develop a staff grade structure for all ESV technical staff in the EIES, GIAS and Infrastructure Safety areas.	<ul style="list-style-type: none"> <li>– Finalise evaluation of positions.</li> <li>– Develop a structure with external assistance from Mercer.</li> <li>– Consult on the structure.</li> <li>– Implement the structure.</li> </ul>				
STRONG EMPHASIS ON PERFORMANCE.	6c Implement a values based staff development initiative which supports ESV's new values.	<ul style="list-style-type: none"> <li>– Research an appropriate development initiative.</li> <li>– Implement the training initiative.</li> <li>– Measure the effectiveness of the training initiative</li> </ul>				
	6d Implement a non-technical skills training program for ESV staff.	<ul style="list-style-type: none"> <li>– Include non-technical skills training list in performance management system.</li> <li>– Assist managers to ensure all staff attend at least one non technical training course during 2009/2010.</li> </ul>				
	6e Develop a policy for part time work.	<ul style="list-style-type: none"> <li>– Research other organisation's policies.</li> <li>– Interview a sample of ESV staff.</li> <li>– Develop and consult on draft policy.</li> <li>– Implement policy.</li> </ul>				
	<b>OPERATIONAL ACTIVITIES</b>	<b>PLANNED ACTIVITY LEVEL 2009/2010</b>				
	Carry out activities relating to staff recruitment and appointment.	– Co-ordinate recruitment activity as required.				
	Co-ordinate IR, Diversity, WorkCover and OH&S matters.	– Keep up to date on legal changes in these areas and provide advice to ESV accordingly.				
	Develop and/or review HR policies as required.	– Develop HR policies as required through consultation.				
	Facilitate staff training as required.	– Develop HR policies as required through consultation.				
	<sup>1</sup> Estimate as at 30 June 2009					

## KEY OUTCOME NO. 7

	MEASURE	TARGET 2008/2009	PERFORMANCE 2008/2009 <sup>1</sup>	TARGET 2009/2010	TARGET 2010/2011	TARGET 2011/2012
MORE EFFICIENT AND EFFECTIVE ESV – CLEAR AND CONSISTENT PRACTICES	Months of cash reserve	3	3–5	3	3	3
UPDATED AND DOCUMENTED RISK ASSESSMENTS FOR THE ENTIRE BUSINESS.	Action plans resulting from the IT and finance risk assessments and Audit Committee which are on track (%)	90	93%	90	90	90
DOCUMENTED POLICIES, BUSINESS PROCESSES AND PROCEDURES.	Action plans resulting from the strategic plans which are on track (%)	90	96%	90	90	90
ENSURE FINANCIAL SUSTAINABILITY.	Compliance with the Financial Management Act (%)	100	100%	100	100	100
RELEVANT AND STABLE IT SYSTEMS	<b>STRATEGIC INITIATIVES</b>	<b>MAJOR MILESTONES 2009/2010</b>				
	7a Prioritise and implement revision of policies, processes and procedures across ESV (towards a quality management system)	<ul style="list-style-type: none"> <li>– Finalise the implementation of a records management system and a quality management system.</li> <li>– Finalise the implementation of documented processes across the corporate services and licensing area.</li> </ul>				
	7b Updated and documented risk registers for the entire business	<ul style="list-style-type: none"> <li>– Updated IT strategy risk register and action plans.</li> <li>– Updated finance risk register action plans.</li> </ul>				
	7c Introduction of new software systems	<ul style="list-style-type: none"> <li>– Finalise implementation of records management software</li> <li>– Finalise implementation of work management system software.</li> </ul>				
	7d Review the ESV financial model, incorporating RIS requirements	– 10 year financial model and support for RIS processes.				
	<b>OPERATIONAL ACTIVITIES</b>	<b>PLANNED ACTIVITY LEVEL 2009/2010</b>				
	Finance – meet all statutory requirements	– All met on accuracy and on time.				
	IT – ensure all systems are supported to agreed levels	<ul style="list-style-type: none"> <li>– Meet all agreed availability, access, accuracy and agility service levels.</li> <li>– Undertake a full disaster recovery of all systems.</li> </ul>				
	Licensing	<ul style="list-style-type: none"> <li>– Target renewal levels of greater than 80% for LEWs, greater than 94% for RECs and greater than 98% for LEIs.</li> <li>– Overall number of licenses in each category not to fall below March 2009 levels.</li> </ul>				
	Service Centre – all queries processed efficiently.	– Respond to all queries in a manner which is consistent with ESV’s Customer Service Charter.				
	<sup>1</sup> Estimate as at 30 June 2009					



# Corporate Information

## ACCOUNTING POLICIES

Refer to Note 1(a) Summary of Significant Accounting Policies in the Finance section on page 57.

## AUDIT COMMITTEE

During 2008/09, the ESV Audit Committee consisted of the following members.

- Mr Peter Buck (Chairperson)
- Mr Ian Cuthbertson
- Mr Geoff Tory
- Dr Geoff White

The Audit Committee's purpose is to overview:

- Financial performance and the financial reporting process, including the annual financial statements;
- Recommending to the Director the engagement and, if required, the dismissal of any internal auditor;
- The scope of work, performance and independence of the internal auditor;
- The scope of work, independence and performance of the external auditor;
- The operation and implementation of ESV's risk management framework;
- Matters of accountability and internal control affecting ESV's operations;
- The effectiveness of ESV's management information systems and other systems of internal control;
- The acceptability of and correct accounting treatment for and disclosure of significant transactions which are not part of ESV's normal course of business;
- The approval and sign-off of accounting policies and changes in those policies; and
- ESV's process for monitoring compliance with laws and regulations including the Code of Conduct for the Victorian Public Sector and ESV's own Code of Financial Practice.

## STATUTORY INFORMATION

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

- a statement of declarations of pecuniary interests that have been duly completed by the accountable officer
- details of publications produced and how these may be obtained
- details of changes in prices, fees, charges, rates and levies
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit

- details of major promotional, public relations and marketing activities undertaken
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement of industrial relations and details of time lost through industrial accidents and disputes
- a list of major committees sponsored, the purposes of each committee and the extent to which the purposes have been achieved.

The following matters did not apply to ESV during the period 1 July 2008 to 30 June 2009 – major external reviews, major research and development activities.

## CONSULTANCIES

ESV engaged 26 consultants at a cost of \$293,202.

## DISCLOSURE OF MAJOR CONTRACTS

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

## PECUNIARY INTERESTS

A declaration of pecuniary interests was completed by all relevant staff for this reporting period.

## CUSTOMERS

### PRIMARY CUSTOMERS

Customers who are provided with a regular service by ESV.

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

## SECONDARY CUSTOMERS

Customers who periodically interact or require a service from ESV.

- Government departments and agencies
- Local municipal authorities
- Those with a responsibility for tree clearing
- Those who dig near underground assets
- Utilities and the petroleum industry
- Tertiary and other education providers
- Electricity and gas retailers and wholesalers
- Energy and Water Ombudsman (Victoria)
- Unions and staff associations.

## WHISTLEBLOWERS PROTECTION ACT 2001

Energy Safe Victoria is committed to the aims and objectives of the Whistleblowers Protection Act 2001. In keeping with the requirements of Section 104 of the Act ESV reports the following:

### Disclosure

#### Result

*Disclosures made to ESV during the year*

**Nil**

*Disclosures referred to the Ombudsman (to determine whether they are public interest disclosures)*

**Nil**

*Disclosures referred to ESV by the Ombudsman to investigate*

**Nil**

*Disclosures referred by ESV to the Ombudsman to investigate*

**Nil**

*Investigations of disclosures taken over by the Ombudsman from ESV*

**Nil**

*Requests by whistleblower to have their disclosure investigated by the Ombudsman due to their dissatisfaction with the way ESV is investigating the matter*

**Nil**

*Disclosures that ESV has declined to investigate*

**Nil**

*Disclosed matters that were substantiated on investigation and the action taken on completion of the investigation*

**Nil**

*Recommendations made by the Ombudsman that relate to ESV*

**Nil**

Copies of ESV's Whistleblowers Protection Act Procedures can be obtained by contacting ESV's Protected Disclosure Officer.

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

**The Protected Disclosure Coordinator:**

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

**The Protected Disclosure Officer:**

Anthony Bottegale  
Legal Officer  
Level 3, Building 2  
4 Riverside Quay  
Southbank 3006  
Ph: 9203 9749  
Fax: 9686 2197  
Email: abottegal@esv.vic.gov.au

**Disclosures may also be made directly to the Ombudsman:**

The Ombudsman Victoria  
Level 3 South Tower  
459 Collins Street  
Melbourne Victoria 3000  
Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)  
Tel: 9613 6222  
Toll Free: 1800 806 314

**INFORMATION PRIVACY ACT 2000**

In keeping with the Information Privacy Act 2000, ESV has developed and implemented a Privacy Policy.

ESV's Privacy Policy can be obtained from ESV or viewed on the website at [www.esv.vic.gov.au](http://www.esv.vic.gov.au).

All staff are progressively being trained in the information privacy principles contained in the Information Privacy Act 2000 and in ESV's policy.

**FREEDOM OF INFORMATION**

ESV received 46 freedom of information requests from 1 July 2008 to 30 June 2009. All requests were dealt with in accordance with the Freedom of Information Act 1982. Application fees and access charges received during this reporting period totalled \$961.

Freedom of information requests must be made in writing, accompanied by a \$23.40 application fee and be addressed to:

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

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

**COMMITTEES**

The following Committees have been established under Section 8 of the Energy Safe Victoria Act 2005:

**Electrical licensing and registration advisory committee**

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

**Electrical safety committee**

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

**Industry sector based committee**

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

**Rural committee**

Provide advice to the ESV on issues affecting rural areas.

**Safe working on electrical installations committee**

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

The following Committees have been established under the Electricity Safety Act 1998:

**Electric line clearance consultative committee**

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

**Equipment advisory committee**

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

**Victorian electrolysis committee**

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

**BUILDING ACT 1993**

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

**VICTORIAN INDUSTRY PARTICIPATION POLICY**

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

**NATIONAL COMPETITION POLICY**

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

**ENERGY EFFICIENCY GOVERNMENT BUILDINGS POLICY**

The Victorian Government introduced the Energy Efficiency Government Buildings Policy in November 2001. This policy established two energy targets; a 15% reduction in building related energy use and that 10% of all electricity purchased is sourced from Green Power.

The former Office of the Chief Electrical Inspector chose to participate in this program on a voluntary basis to demonstrate leadership and support of this important Government initiative.

ESV has completed and achieved the objectives of the program.

**RISK ATTESTATION**

I, Paul Fearon, certify that Energy safe Victoria has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Audit Committee verifies this assurance and that the risk profile of Energy Safe Victoria has been critically reviewed within the last 12 months.



PAUL FEARON  
ACTING DIRECTOR OF ENERGY SAFETY  
3 SEPTEMBER 2009

# Disclosure Index

The annual report of Energy Safe Victoria is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of ESV's compliance with statutory disclosure requirements.

## Ministerial Directions Report of Operations

LEGISLATION	REQUIREMENT	PAGE NO
CHARTER AND PURPOSE		
FRD 22B	Manner of establishment and relevant Minister	1
FRD 22B	Objectives, functions, powers and duties	3
FRD 22B	Nature and range of services provided	3
MANAGEMENT AND STRUCTURE		
FRD 22B	Organisational structure	8, 9
FINANCIAL AND OTHER INFORMATION		
FRD 29	Statement of workforce data and merit and equity	10, 11
FRD 22B	Summary of the financial results	17
FRD 22B	Significant changes in financial position	17
FRD 22B	Operational and budgetary objectives and performance against objectives	48
FRD 22B	Major changes or factors affecting performance	17
FRD 22B	Events subsequent to balance date	NA
FRD 22B	Details of consultancies over \$100,000	NA
FRD 22B	Details of consultancies under \$100,000	82
FRD 22B	Application and operation of Freedom of Information Act 1982	83
FRD 22B	Compliance with building and maintenance provisions of Building Act 1993	83
FRD 22B	Application and operation of Whistleblowers Protection Act 2001	82
FRD 22B	Statement of availability of other information	82
FRD 22B	Statement on National Competition Policy	83
FRD 22B	Statement on occupational health and safety	10
FRD 12A	Disclosure of major contracts	82
FRD 25	Victorian Industry Participation Policy disclosures	83
FRD 24B	Reporting of office-based environmental impacts	83
FRD 15B	Executive Officer disclosures	NA
FRD 10	Disclosure index	84
FRD 8A	Budget Portfolio Outcomes	NA

## Financial statements

Financial statements required under Part 7 of the Financial Management Act 1994

LEGISLATION	REQUIREMENT	PAGE NO
SD 4.2(a)	Statement of Recognised Income and Expense	56
SD 4.2(b)	Operating Statement	54
SD 4.2(b)	Balance Sheet	55
SD 4.2(b)	Cashflow Statement	56
SD 4.2(b)	Notes to the financial statements	57
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	57
SD 4.2(c)	Compliance with Ministerial Directions	72
SD 4.2(c)	Accountable officer's declaration	72
SD 4.2(d)	Rounding of amounts	59
SD 4.2(f)	Model financial report	56
OTHER DISCLOSURES IN NOTES TO THE FINANCIAL STATEMENTS		
FRD 13	Disclosure of parliamentary appropriations	NA
FRD 9A	Departmental disclosure of administered assets and liabilities	NA
FRD 11	Disclosure of ex-gratia payments	NA
FRD 21A	Responsible person and executive officer disclosures	72
LEGISLATION		
	Freedom of Information Act 1982	83
	Whistleblowers Protection Act 2001	82
	Victorian Industry Participation Policy Act 2003	83
	Building Act 1983	83
	Financial Management Act 1994	57
	NA Not Applicable	

# Abbreviations

## Notes

NA	Not applicable
ESV	Energy Safe Victoria
ELRAC	Electrical Licensing and Registration Advisory Committee
COAG	Council of Australian Governments
GTRC	Gas Technical Regulator's Committee
LEI	Licensed Electrical Inspector
LEIW	Licensed Electrical Installation Worker
MEPS	Minimum Energy Performance Standards
OCEI	Office of the Chief Electrical Inspector
OGS	Office of Gas Safety
PIC	Plumbing Industry Commission
REC	Registered Electrical Contractor

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