Independent review of the NSW Electrical and Gas Safety Regulatory Framework

Options Paper

15 July 2026

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About the Justice and Equity Centre

The Justice and Equity Centre stands for a society that is fair and free from discrimination and disadvantage. Established in 1982 as the Public Interest Advocacy Centre (PIAC), we use the law and policy advocacy to challenge injustice and inequality. We do this through:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change to deliver social justice.

Energy and Water Justice

Our Energy and Water Justice work improves regulation and policy so all people can access the sustainable, dependable and affordable energy and water they need. We ensure consumer protections improve equity and limit disadvantage and support communities to play a meaningful role in decision-making. We help to accelerate a transition away from fossil fuels that also improves outcomes for people. We work collaboratively with community and consumer groups across the country, and our work receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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The Justice and Equity Centre acknowledges and pays respects to the Gadigal as the Traditional Owners of the land on which our office stands.

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- *Clarity of safety requirements in the form of expected outcomes;*
- *Ensuring disconnection services can be undertaken by any tradesperson deemed fit and proper;*
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1. Introduction

The Justice and Equity Centre (JEC) welcomes the opportunity to respond to the options paper for the Independent Review of the New South Wales Electrical and Gas Safety Regulatory Framework (the Review), commissioned by the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW).

The proposed reform options broadly support a more robust and sustainable regulatory framework for electrical and gas safety in NSW. We agree that the current framework presents challenges and requires modernising to meet the needs of consumers, workers and the public as the energy system transitions and technologies change. We particularly commend the transparent consideration of differing options which aids the consultation process and supports evidence-based decisions. However, the options for reform are presented at a relatively high level and the details of implementation will require further consultation to prevent any unintended consequences.

This submission sets out our views on particular areas of the framework, focused on areas that present risks to consumers now and into the future.

2. Feedback on targeted areas

2.1 A consolidated energy safety framework

We strongly support the Review's proposal to consolidate safety legislation into an integrated Energy Supply Safety Act. This represents a substantive but much-needed reform, to simplify the current legislative complexity and clarify cross-cutting safety responsibilities. As with workplace health and safety, the mechanisms by which consumer safety are achieved may differ across sectors, but the intended outcomes are consistent. We agree that an integrated Energy Supply Safety Act could prioritise those safety outcomes across functions and reduce inconsistency. Our responses to the consultation questions in Section 3 further set out our perceived benefits from this proposed reform.

We welcome the Review's fuel-agnostic approach to the overarching safety framework. Most other jurisdictions have cross-cutting electrical safety legislation more in line with what is proposed by the Review. In our view it is also preferable to include gas under the same framework, since the energy transition will likely increase the interdependency between gas and electrical services.

As part of its consideration of future-readiness, the Review should ensure the framework is adaptable to the changing service mix of tradespeople. Acceleration of the energy transition means that the needs of gas consumers and electricity consumers become increasingly inter-related. In practical terms, consumers are more likely to expect a crossover between services and the skill mix of tradespeople may change in response. For example, a household looking to fully electrify would benefit from a service that involves electrical appliance installation as well as safely disconnecting gas supply to the premises.

As the integrated safety legislation approach represents a significant deviation from the current model, we urge the Government to further consult on implementation if it accepts the Review's recommendations. While this Review will help to identify some of the implementation considerations, the details of the reform should be subject to more fulsome feedback. This will help to provide practical perspective from industry and consumer stakeholders, and mitigate the risk of unintended consequences.

Recommendation 1

That the Review adopt the proposed framework to establish a consolidated Energy Supply Safety Act with streamlined regulatory responsibility in its final recommendations.

Recommendation 2

That the NSW Government further consult on implementation of the Review's recommendations which it chooses to adopt.

2.2 Gas network decommissioning and disconnections

We welcome the Review's recognition that more clarity is needed regarding safety regulation of gas network retirement, pipeline decommissioning and dormant assets. With the rate of disconnections from the gas network expected to accelerate, risks to consumers will continue to increase if decommissioning-related activities are not adequately captured by the framework. Therefore, while we support changes proposed in the Options paper, we suggest the Review's recommendations should go further to mitigate these risks.

The key enabler of risk mitigation is better transparency of network utilisation and dormant connections. This is particularly important given recent rule changes by the Australian Energy Market Commission (AEMC) clarifying the definitions of different types of gas network disconnections.[1] Much of this transparency can be enabled by simple changes to data collection and disclosure.

The regulatory framework should require gas distribution network service providers to publicly report on abolishments, disconnections and dormant connections. This would provide better information on emerging safety risks in the network, and support the planning of safe decommissioning of the network where necessary.

The Review's proposed change does not address the regulatory framework's limitations for enabling safe and efficient disconnections from the gas network. A lack of clarity around safety in this context poses both safety risks and risks of inefficiency in the services provided to effect disconnection – that is, because safety requirements are unclear, unnecessary work may be performed beyond what is required to make the site safe. This requires:

- **Clarity of safety requirements in the form of expected outcomes**, to ensure a disconnection service is limited to the minimum works required to make safe;

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1 Australian Energy Market Commission, 2026, [AEMC finalises rules for customers leaving the gas network]

- **Permitting disconnection/abolishment services to be undertaken by a fit and proper person**, rather than restricting these services to staff of the network service provider, to ensure safe and efficient disconnections;
- **Ensuring the regulatory framework addresses remediation** through mechanisms similar to those proposed for metering activities.[2]

Recommendation 3

That the Review recommends the regulatory framework provide greater clarity on what constitutes a safe service to disconnect a consumer from the gas network, including:

- *Clarity of safety requirements in the form of expected outcomes;*
- *Ensuring disconnection services can be undertaken by any tradesperson deemed fit and proper;*
- *Adopting remediation safety requirements similar to those proposed for metering services.*

We note that this Review may not be well-positioned to make technical recommendations to improve safety regulation of a gas network subject to demand decline. The Review should clearly identify technical gaps in its final recommendations and recommend these be addressed by a specialist Government taskforce.

Recommendation 4

That the Review recommends a specialist Government taskforce to address remaining barriers that prevent the gas safety framework from enabling the most efficient and safe network retreat.

2.3 Metering

The Review's recommendations to strengthen regulatory oversight of electricity metering are an answer to a long-standing gap in consumer protections. We support the Review's assessment that the proposed changes would improve clarity, accountability and safety outcomes for metering. This is particularly important as the AEMC has required universal smart meter deployment by late 2030,[3] yet barriers to the rollout remain.

We particularly welcome the proposal to strengthen regulatory pathways to remediate unsafe installations encountered during metering activities. We have heard from one distribution network service provider that around 30% of smart meter installations in its network do not proceed because of remediation issues. The current framework does not provide the appropriate pathways to escalate these issues, meaning these households typically miss out on the smart meter rollout. Given the likely link between the requirement for remediation, quality of housing, and income, this is likely to mean low income and vulnerable households, particularly renters, are more likely to be impacted.

2 Nous, 2026, Options Paper: Independent Review of the NSW Electrical and Gas Safety Regulatory Framework, p 39.

3 Australian Energy Market Commission, 2024, AEMC finalises landmark reform to accelerate smart meter rollout

Remediation provisions would be further improved by improved reporting mechanisms. As well as more clearly identifying metering providers, the framework should also enable more centralised information on remediation and defects. This would help ensure metering outcomes are more consistent across households. Costs and timeframes for remediation work should not depend on a consumer's assigned metering coordinator or retailer. The jurisdictional regulator should establish a schedule of sites needing remediation to ensure that safety risks are clearly identified and managed.

Recommendation 5

That the Review clarifies the need for robust reporting processes for metering technology, including establishing a schedule of remediation works to ensure that safety risks are clearly identified and managed.

2.4 New energy technology

Given the risk consumers and networks face from the emergence of new energy technologies, the Review should give more detailed consideration to how to "ensure regulatory coverage keeps pace with new technologies and evolving work practice".[4] The proposed cross-cutting safety duty can go some way to supporting better safety outcomes for consumers of new technologies if it is formulated in a way that would capture these products and services. However, as safety risks to consumers and the electricity grid from new technologies (particularly consumer energy resources (CER)) are already being realised,[5] more is required to mitigate those risks.

We disagree with the Review's observation that regulatory efforts are currently proportionate.[6] The pace of change and emergence of new energy technologies, and availability of incentives for installation of consumer energy resources (CER), mean that greater scrutiny is warranted. The current fragmented regulatory approach, featuring barriers to risk reporting and dispute resolution, means risks/harm to consumers are likely under-reported.

The Review should consider the different safety issues that arise throughout the lifetime of CER products. Safety concerns can be distinguished between product standards, installation standards and ongoing safety of use (both to consumers and the network). The Review would benefit from incorporating this distinction in its proposed solutions to ensure all aspects are properly considered.

The Review rightly recognises that regulation of CER and online marketplaces would benefit from national consistency. While national frameworks and standards are being developed, safety risks to consumers in NSW must be mitigated to the greatest extent possible. It is not incompatible with a national approach to propose greater safety protections for NSW consumers in the interim, while a national regulatory framework is being pursued. This is occurring in Victoria, where a review of CER consumer protections has developed recommendations for improving safety

4 Nous, 2026, Options Paper: Independent Review of the NSW Electrical and Gas Safety Regulatory Framework, p 42.

5 For example see Australian Competition and Consumer Commission, 2026, Inquiry into the National Electricity Market - June 2026, pp 65-99.

6 Nous, 2026, Options Paper: Independent Review of the NSW Electrical and Gas Safety Regulatory Framework, p 32.

regulation of CER amongst broader consumer outcomes.[7] The Review should consider whether these recommendations could be adopted in the NSW framework.

We note some safety protections are already offered to consumers purchasing CER through Energy Security Safeguard schemes. Although we consider these protections should be stronger,[8] extending them to all purchasers of CER in NSW could represent a positive interim solution for consumers.

The Review should more clearly set out what regulatory gaps remain to be pursued at the national level. As part of this, it should clearly set out what the national regulatory framework is expected to cover, and how it will be integrated with the NSW framework. This should include how this would interact with the proposed cross-cutting safety duty in NSW.

Recommendation 6

That the Review recommends stronger safety protections for installation and operation of consumer energy resources, drawing on recommendations from the Victorian review of Consumer Energy Resources Consumer Protections.

Recommendation 7

That the Review set out more clearly how a future national framework for regulating consumer energy products would integrate with the proposed NSW regulatory framework.

3. Response to consultation questions

Is a cross-cutting safety duty to protect consumer and public safety appropriate and fit for purpose?

Broadly, a cross-cutting safety duty is appropriate. The question of whether it is fit for purpose warrants further examination across different sectors and detail on how it would be implemented and enforced. We therefore support this proposal but recommend Government undertake further consultation with industry and consumer advocates when preparing to legislate the duty. This would be aided by different examples of how the duty may operate.

We highlight the distinction between the Review's current proposed wording of "all reasonable steps to minimise safety risks" and an expectation to mitigate and manage safety risks. In all cases, it should be clear that is not always reasonable to expect risk to be completely eliminated. This still allows appropriate action to prevent harm and respond according to the potential for harm, but it doesn't set the risk level to zero in all cases.

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7 Victorian Department of Energy, Environment and Climate Action, 2025, Consumer Energy Resources Consumer Protections Review - Directions Paper

8 See Justice and Equity Centre, 2026, Submission to Energy Security Safeguard policy reform consultation paper, pp 6-9.

Are there any unintended consequences associated with this approach that the Review should consider?

Caution should be taken to ensure that the introduction of a cross-cutting consumer and public safety duty does not detract from existing worker safety protections. Similarly, any resourcing of consumer safety regulation oversight and enforcement must be additional to existing workplace safety regulation.

The definition of a ‘declared duty holder’ must be carefully drafted to ensure the duty applies to the appropriate parties. For example, the example provided in the paper refers to the duty applying to “anyone who owns, operates or works on electricity or gas infrastructure”, which could (as drafted) apply to owners of CER. Consideration needs to be given whether consumers can or should be responsible for all or any of the safety of the operation of the CER after proper installation of compliant equipment.

We also note that with the increasing prevalence of energy services (e.g. virtual power plants), including those operated within non-energy products (e.g. vehicle-to-grid technology), care must be taken to ensure the duty covers these services appropriately. That is, the duty must be sufficiently broad to cover emerging technologies. Conversely however, the definition should be careful to avoid unintended coverage, such as the non-vehicle-to-grid parts of an electric vehicle.

If a cross-cutting duty were legislated, what would you like to see from regulators to ensure it is implemented effectively?

Regulators of this duty must clearly set out their enforcement regime, including any priority compliance areas as well as penalties for non-compliance. This must be linked to the safety outcomes being sought by applying the duty. The duty alone likely would not be able to be implemented effectively without guidance to stakeholders on how it will be enforced in practice. That is, regulators will need to clearly communicate:

- what outcomes are not acceptable under this duty;
- examples of what constitutes reasonable steps to mitigate risk;

Consideration will also need to be given on how the regime would apply to (sub)contracting operations.

Government will also need to undertake a public awareness campaign to promote public awareness of new rights and obligations. While disclosure (by industry to consumers) could be helpful to promote awareness, it should not be relied upon as the principal awareness raising mechanism. Instead, information provided by Government will be important to build consumer trust in the protection provided by the new duty and will also contribute to building a clearer public-facing point of contact.

Are there other pieces of legislation or subordinate instruments that could be included?

We have no comments on this question.

Would establishing the ESSA improve safety outcomes in NSW? Why/why not?

We broadly support the establishment of the Energy Supply Safety Act (ESSA) as a strong platform for consumer protection and future reforms. Integrating key rights and obligations under one Act will provide greater clarity for all stakeholders and address issues currently caused by fragmentation of the framework.

Its ability to improve safety outcomes will be dependent on how it is implemented. The NSW Government will need to ensure that the ESSA will be subject to robust oversight and enforcement that is resourced appropriately.

As noted in the paper, there are energy safety issues in NSW that will not necessarily be addressed by establishing the ESSA, including gas network decommissioning and tradesperson training.[9] The Review should ensure that the additional issues that it has identified are also addressed as a priority.

Do you foresee any challenges with implementation, such as where the ESSA ‘stops’ and industry legislation ‘starts’

Broadly, it is unclear how the distinction has been drawn between the ESSA and industry legislation. Implementation should more clearly set out the principles used to establish this distinction. As part of this, the Government should ensure that regulatory responsibility is clearly defined to avoid gaps and/or overlap.

Are there other options in one or more subsectors that the Review has not appropriately considered?

The Review should provide more detail on the safety regulation of gas networks, metering services and new energy technologies, as further described in Section 2 of this submission. With these sectors likely to provide increasing risk to consumers, they are important to address to ensure the Review’s recommendations support future-readiness.

Do you agree with the Review’s proposed regulatory model for each subsector? Why/why not?

Subsector	Supported option	Comments

9 Nous, 2026, Options Paper: Independent Review of the NSW Electrical and Gas Safety Regulatory Framework, pp 38-43.

Electricity networks	Retain the current model, but expand the regulator's toolkit to allow more direct intervention if and where needed	We strongly support the observation that the regulator must be appropriately resourced for this option to succeed.
Gas networks	Retain the current model, but strengthen regulatory oversight	See section 2.2 for further reforms needed to strengthen regulatory oversight.
Pipelines	Retain the current model	We note that the regulation of pipelines is already being reformed as a result of the review of the Pipelines and Gas Supply Regulations.[10] The Independent Review should ensure its recommendations align with these reforms.
Electrical and gas work in households	Maintain self-certification but enable prescribed independent inspections for higher risk work	Recognising that high risk work exists, capacity must not be used as an argument to reduce oversight. This need for robust risk management calls for resourcing commensurate with the degree of risk.
Electrical and gas products	Retain the current tiered model with targeted improvements	See section 2.4 for further reforms needed to strengthen regulatory oversight.
Electricity generators	Retain the current model	No further comments.
Gas producers and importers	Extend public safety accountability to producers/importers	No further comments.
Electrical and gas workers	Explore amendments to selected exemptions to reflect how risk and behaviour has changed	The grounds for exemptions should generally be restricted, as safety should not be sacrificed for efficiency. The review should further investigate existing loopholes and ensure these are eliminated by the proposed regulatory model.

10 NSW Department of Climate Change, Energy, the Environment and Water, Pipelines and Gas Supply Regulations, accessed 13 July 2026.

Are there further regulatory tools, powers or prescribed activities that you would like to see included?

As described in Section 2, the gas network, metering services and new energy technology sectors would benefit from greater transparency and reporting.

Is targeted reform, consolidated policy ownership and clearer system stewardship likely to address fragmentation challenges and improve safety outcomes?

On balance, we support Option 3: *retain the current distribution of roles with minor amendments, establish a front door, and consolidate most policy functions relevant to electrical and gas safety in DCCEEW*. This balances the need for clearer system stewardship with the burdens of establishing a new entity.

Alternatively, would you consider that the benefits of a more consolidated regulator would outweigh the costs and be proportionate to the harm and risk of harm seen in the energy sector?

We do not consider that a separate regulator is functionally more effective than consolidated functions within an existing department. The costs of establishing a new entity would be better spent on resourcing robust regulation. We consider DCCEEW already has much of the expertise to effectively regulate the NSW electricity and gas sectors.

How might this option need to change if other preferred options, such as a general duty or integrated Energy Supply Safety Act, are not implemented?

Even if the integrated ESSA is not implemented, there would still be benefit from streamlining regulatory responsibility. However, the proposed reforms are highly complementary and would therefore be most effective if implemented together.

Are there specific components of this option that might require further consideration, such as the location of 'front door' services?

We support broad and accessible pathways to regulatory services, such as information and redress. Consumers would benefit from multiple pathways to access services, through mechanisms that they already know and use (e.g. SafeWork, the Energy and Water Ombudsman)

Consideration will also need to be given to how the regulator's function will overlap with the NSW Energy and Water Ombudsman's (EWON) investigation and dispute resolution functions for certain CER. Consumers would benefit from a clear distinction on when to access different services.

Are there any other targeted changes to legislation or regulation that the review has not considered?

As described in Section 2, the gas network, metering services and new energy technology sectors would benefit from greater transparency and reporting.

Do you foresee any adverse consequences to implementing any of the proposals outlined above?

We generally support the supplementary changes outlined in section 5.2 of the paper, and offer feedback on targeted areas in section 2 of this submission.

What changes might be needed to improve regulatory practice?

The proposed reforms' ability to meet their objectives is highly contingent upon strengthening regulatory practice. This requires a more coordinated and proactive regulatory approach. The significant risks that consumers face in using energy services/products warrant robust measures. Beyond more explicit examples of harm, it is important to remember these services/products impact the essential service of energy supply.

Regulatory practice must be very clearly linked to the outcomes it is seeking to achieve and prevent. That is, regulation must be commensurate to risk and evolve when new risks emerge. However, to achieve this regulators must be appropriately resourced to undertake robust regulation. As noted throughout this submission, safety cannot be traded off for budget savings.

4. Further engagement

We would welcome the opportunity to discuss these matters further with the independent review team and DCCEEW. Please contact Kira van Os (kvanos@jec.org.au) regarding any further enquiries.