

3.9 Product quality assurance

Background

The trade in counterfeit products which fail to conform to Australian Standards poses a significant threat to the viability of Australia's electrical contracting industry.

The installation of unsafe, non-compliant electrical equipment can be costly for business and consumers and poses a risk of electrical fire, shock and property damage while increasing the potential legal liabilities for electrical contractors. This ultimately leads to a devaluing of industry standards and a loss of professional reputation.

NECA strongly supports product quality and safety initiatives such as the *Does It Comply?* (to Australian Standards) campaign, developed in partnership with Voltimum and Standards Australia. The campaign seeks to raise consumer and industry awareness of the dangers of products that fail to comply with Australian Standards.

Key concerns for the electrotechnology industry are the lack of enforcement against distributors of non-compliant products and the lack of product batch testing to ensure quality and measurement of the performance to Australian standards.

Although there are examples of prosecution of those involved in the sale and distribution of counterfeit electrical products in NSW, concerns remain across the industry with regards to quality assurance.

Key issues and recommendations

Electrical Equipment Safety System

The Electrical Equipment Safety System (EESS) was established in Queensland in 2013 and is currently recognised by New Zealand, Tasmania and Western Australia. Enabling legislation is also being considered in South Australia and Victoria. The Legislation requires all responsible suppliers selling goods into participating jurisdictions to be registered on a national database. Registration must be renewed annually and an annual registration fee paid by responsible suppliers.

The national database is the key feature of the EESS. It records the registration details of responsible suppliers of electrical equipment in Australia and New Zealand. This allows electrical equipment to be easily traced to the supplier and its legal supply in Australia and New Zealand to be verified.

Concerns have been raised regarding the viability of Electrical Regulatory Authorities Council (ERAC), the manager of the EESS database. While these concerns have largely been raised by Fair Trading NSW, NECA believes that the management of the EESS database requires additional focus and resources and that a case can be made for an industry based solution.

Although ERAC is made up of regulatory authority representatives from across Australia and New Zealand, the lack of mandatory participation from each state and territory necessitates urgent reform.

R39: NECA supports the extension of the ERAC database to include mandatory declarations by suppliers as to whether they hold recall insurance to cover off these situations so that contractors can choose responsible suppliers of electrical equipment.

R40: NECA believes that the management of the EESS requires additional focus and resources. We believe that this additional focus could best be delivered through an industry based solution that would provide information and access to all industry stakeholders.

R41: NECA calls upon those states that have not yet enacted the EESS to do so as a matter of priority.

Non-compliant products

Recent recalls of electrical equipment such as Infinity Cable and Avanco DC Isolators used in solar installations have highlighted the danger of fire and shock to consumers from non-compliant goods imported by companies with no recall insurance who subsequently go into liquidation.

This results in electrical contractors, as the installers of the equipment, being unfairly held responsible by consumers for costly replacements with no recourse to the importer who introduced the risk into the country. The inevitable insolvencies of installers will create disruption in the industry and the hazardous equipment will either have to be replaced by the home owner or, if it is not replaced, will create a permanent hazard in the community.

R42: NECA strongly calls for the stamping out sales of non-compliant electrical parts and products that fail to meet Australian Standards. The professional reputation of our industry is compromised by the weakening of safety standards, potential property damage and potential endangerment of human life when non-compliant products remain on sale.

R43: NECA calls upon the Federal Government to increase its commitment and resources to ensure a larger number of product random batch tests are carried out. This action would assist with the delivery of higher quality electrical products for consumers.

Industry opportunities

- » NECA to develop stronger partnerships with NECA members, state and territory regulators and Standards Australia to further develop the number and recognition of random batch testing of products.
- » NECA proposes to take over the management and administration of the EESS database from ERAC. This move would provide a more focused, industry led solution that would provide information and access to all relevant stakeholders, regulators and authorities.