

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

2014 - 2015

**Department/Agency:** ACCC  
**Question:** AET 45  
**Topic:** Safe Cable  
**Reference:** Hansard page no. 125 - 25 February 2015  
**Senator:** Madigan, John

**Question:**

Senator MADIGAN: How many houses have had their wiring retrofitted with safe cable?

Mr Ridgway: At the moment, more than 140 homes have been remediated since the recalls were initiated in August 2014. Apparently approximately 400 remediation jobs are planned to be performed in coming weeks that we know of from one of the larger recalling parties.

Senator MADIGAN: So 140 homes out of 40,000 have been fixed up to date.

Mr Ridgway: It is a potential 40,000. Our extrapolation of numbers with the 40,000 relates to the average amount of cable used in an average residential property.

Senator MADIGAN: How does this compare to the average for returned product for recalls conducted by the ACCC?

Mr Ridgway: The rate of return for products varies according to product category. In some categories, such as motor vehicles, where there are very good details and there are service regimes for motor vehicles themselves, components are replaced often quite promptly in a servicing schedule within a period of a year or so and where the suppliers have accurate contact details of the purchases. In other cases, such as in the building sector, it can take a number of years for remediation to take place. We had an example of bathroom heating lamps at one stage where the remediation exercise took a number of years to undertake.

Senator MADIGAN: What is the budgetary cost of this program for the ACCC, specifically with the electrical cables recall?

Mr Sims: In terms of our item resource expenditure?

Senator MADIGAN: Yes.

Mr Ridgway: We have a dedicated recalls team dealing with recalls most generally. In the process of responding to the Infinity cable matter we found it necessary to take one officer offline entirely to deliver that work for a period of time, so there would be the net cost of that officer, which we could calculate, but I would say it would be in arranged—

Senator MADIGAN: Could you take it on notice?

Mr Ridgway: On notice is probably better.

**Answer:**

The ACCC allocated one full time position to work on Infinity cable for the year leading up to the recall. At different times a range of other staff including managers, communications specialists and lawyers were involved in a range of activities to support ACCC coordination of the Commonwealth, state and territory regulatory response to the issue. Activities included taskforce and stakeholder meetings, development of the remediation plan and communications strategy, arranging specialist testing, negotiating recalls and assisting state and territory regulators. The total cost of ACCC staff involvement for the year leading up to the recall was approximately \$230,000 and since that time \$81,000.