



Decision Regulation Impact Statement

Proposal for national licensing of the plumbing and gasfitting occupations



National
Licensing

The Council of Australian Governments' National Licensing Steering Committee has prepared this Decision Regulation Impact Statement, with assistance from PricewaterhouseCoopers. Its purpose is to inform a decision by the Standing Council for Federal Financial Relations on the approach to national licensing for the plumbing and gasfitting occupations.

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- ISBN:
- ISBN 978 1 921916 10 6 (print)
- ISBN 978 1 921916 11 3 (PDF)

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This is the second stage of a two-stage Regulation Impact Statement (RIS) process which includes a Consultation RIS followed by a final Decision RIS.

The purpose of this Decision RIS is to present the costs and benefits of options associated with national occupational licensing reform to assist the Council of Australian Governments (COAG) in its decision making on reform paths. This Decision RIS incorporates jurisdictional and stakeholder views on reform paths following a consultation process. Consultants were commissioned by the COAG National Licensing Taskforce to prepare the Decision RIS, and it incorporates views that have been brought to the attention of the consultants. Extensive information has also been provided by jurisdictions on the costs and benefits of policy approaches and the detail of the licensing arrangements in each jurisdiction.

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About this Decision Regulation Impact Statement

The purpose of this Decision Regulation Impact Statement (RIS) is to recommend a preferred option for policy to underpin the establishment of a national licensing scheme for the plumbing and gasfitting occupations. This follows stakeholder comment on the Consultation RIS for national licensing for the plumbing and gasfitting occupations.

This Decision RIS identifies the nature of the problem to be solved, outlines the alternative policy options considered and explains the rationale for selecting the model proposed and the elements that comprise the model. It also assesses the costs and benefits of the preferred model compared with the other options identified.

This Decision RIS follows the guidelines of the Council of Australian Governments (COAG) in the *COAG Best practice regulation Guide (2007)*. It has been approved for release by the Office of Best Practice Regulation.

PricewaterhouseCoopers was engaged by the COAG National Licensing Steering Committee to assist with the preparation of both the Consultation RIS and the Decision RIS.

Summary of options considered in this Decision Regulation Impact Statement

Reform of licensing for the plumbing and gasfitting occupations has the potential to deliver significant ongoing benefits, most of which go to plumbers and gasfitters, businesses that use their services, and consumers. There are one-off costs under some options for reform, including costs to licensees and businesses to become aware of the proposed changes, and costs to government for the establishment of the National Occupational Licensing Authority (NOLA) and the national licensing register. There would also be ongoing costs to maintain NOLA and the register. This Decision RIS indicates that the benefits of the reform outweigh these costs.

In the Consultation RIS, two approaches were considered to the way in which 'national licensing' could be structured.

1. A 'three tier' option (involving three levels of licence: contractor, full licensee and supervised licensee). Two sub-options are possible under this approach. The first (sub-option 1) would increase competency requirements for full licence holders for the majority of jurisdictions. The second (sub-option 2) would keep competency requirements for full licence holders broadly in line with current requirements but make them consistent across jurisdictions.
2. A 'two-tier' option, so called as it removes the supervised licensee level, meaning there would only be the full licence and contractor levels of licence. Under this option, upon completion of a Certificate III level qualification, a licence holder would be authorised to conduct all regulated work for that licence category, enabling them to satisfy jurisdictional administrative processes with regard to certifying or 'signing off' on the work undertaken.

A third option, automatic mutual recognition (the 'driver's licence' model) was also considered. This model would allow a plumber or gasfitter to have their current state- or territory-based licence recognised by another jurisdiction, enabling them to work in that jurisdiction without having to apply for another licence or pay an additional licence fee. This option is based on licences issued in a particular jurisdiction being accepted in all jurisdictions. A number of approaches were identified as possible: under an unharmonised model, there would be no change to existing licence categories and scopes of regulated work; under a harmonised model, jurisdictions would seek to harmonise licence categories (either according to the policy developed under national licensing or using existing ministerial declarations as a basis). A harmonised approach could also be implemented as a staged process. The overall option has not been fully developed and is therefore not fully costed. While this would allow for increased mobility of labour, with reduced transition costs compared to national licensing, the benefits likely to flow from the agreed establishment of NOLA are not guaranteed. Furthermore, without ongoing coordination and impetus to maintain and build on the initial reforms, there would be a risk that automatic mutual recognition may only provide one-off selective reductions in regulatory burdens that may be eroded over time. For these reasons, this option is not supported in the Decision RIS.

The impetus for licensing reform is a desire to enhance labour mobility and remove unnecessary regulatory burdens on plumbers and gasfitters. All of the options for reform enhance labour mobility. Given this, consideration has focused on the differing licence structure and competencies required for each option, and their impact on costs, safety and consumer protection outcomes for industry and users of plumbing and gasfitting services.

Quantified impacts for the national licensing options

Table 1 shows the quantified impacts for the national licensing options, that is, it measures the financial costs and benefits of each option. A decision on the preferred option depends on assessing a full range of costs and benefits, such as the impact on safety outcomes from changes to supervision requirements and competencies. While the quantified impacts suggest that the two tier option has the highest benefit, stakeholder feedback and analysis of the safety risks indicates that this option would not provide the skills necessary for a full licence holder to carry out regulated work and would therefore give rise to safety risks for workers and reduced consumer protection outcomes for users of plumbing and gasfitting services. The three tier, sub-option 1 would provide an increase in regulatory requirements when compared with the status quo. The preferred option in this Decision RIS is the three tier, sub-option 2 as it addresses worker safety and wider consumer protections, including safety, while not increasing overall regulatory requirements. A payback period is included in the table to highlight the length of time that will be needed for the benefits to offset the transition costs. This payback period is quite short, while the benefits are expected to be ongoing.

Table S.1: Impacts of national licensing options

National quantified impacts	Two tier	Three tier, sub-option 1	Three tier, sub-option 2					
Ongoing net impact (\$ million per annum)	90.24	38.02	52.19					
Community (licensees, business, households)	92.46	40.24	54.41					
Government ¹	(2.22)	(2.22)	(2.22)					
One-off transition costs (\$ million)	(23.74)	(23.74)	(23.74)					
Community (licensees, business, households)	(15.07)	(15.07)	(15.07)					
Government	(8.67)	(8.67)	(8.67)					
Total 10-year NPV (\$m)	566.67	226.02	318.41					
Benefit-cost ratio of the total 10-year NPV	14.70	2.67	8.13					
Payback period (years)	0.26	0.62	0.45					
Rate of return (annualised percentage)	380%	160%	220%					
10-year NPV (\$m)	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Two tier	118.42	112.27	128.07	145.82	29.84	11.10	14.34	6.80
Three tier, sub-option 1	93.92	40.88	55.69	20.94	10.02	3.69	0.20	0.67
Three tier, sub-option 2	100.57	60.25	75.33	54.82	15.40	5.68	4.03	2.34

NPV = net present value

¹ The analysis does not account for changes in GST, payroll or other taxes. However, if it is reasonable to expect the community benefits to be consumed as expenditure, then there will be a flow through of GST revenue.

Executive summary

Purpose of the Decision Regulation Impact Statement

This Decision RIS examines the impact of replacing the current diverse state and territory licensing of the plumbing and gasfitting occupational area with a proposed national licensing approach. It also examines an automatic mutual recognition option. It considers the impact that each option would have on industry, consumers and government and is informed by stakeholder feedback on the options outlined in the Consultation RIS, which was released on 13 August 2012. It acknowledges that the status quo would be the default option.

The problem

Plumbing and gasfitting occupations are currently licensed under state and territory legislation with the approach to licensing varying significantly across the jurisdictions. New South Wales, Victoria and Queensland follow a segmented approach, with a greater range of categories that have more narrowly defined regulated work. In contrast, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory tend to follow a general approach, with a limited number of categories and broad scopes of work. An overview of the sector and current regulatory requirements is provided at Attachment A.

The numerous approaches to licensing has led to differences in the numbers and types of licence categories available, the names of licences, the scopes of regulated work authorised by each licence and the eligibility requirements, including qualifications, needed to obtain them. These inconsistencies create a regulatory burden for businesses that operate and employ skilled people in more than one state, as they must be familiar with the requirements of the different jurisdictions. They create a regulatory burden for the nation as they impede the free movement of skilled labour across states and territories. This negative impact is particularly felt at times of skills shortage or when there is a natural disaster. One of the catalysts for work on national licensing was the aftermath of cyclone Larry in 2006, when the skilled workers from other jurisdictions were unable to respond quickly to assist in repairing the significant damage to infrastructure.

The different approaches impose a regulatory burden on licensed workers despite the existence of mutual recognition arrangements since 1992. Under mutual recognition arrangements, a licensed person moving from one jurisdiction to another is entitled to a licence authorising the equivalent scope of work to that authorised by the issuing or home jurisdiction. However they must first apply for recognition of their existing licence and pay another fee. Once an application is lodged, they are able to work to the scope of their existing licence(s), pending the decision of the 'second' jurisdiction regulator. Provided that the decision is to recognise that licence, they will be issued with the nearest equivalent licence, which may or may not have conditions imposed to achieve that equivalency. It is sometimes necessary for the second jurisdiction to issue multiple licences to equal the scope of the first. If the licensed worker works across borders, they must renew these multiple licences and pay the relevant fees. This acts as a deterrent to those who might otherwise take advantage of business opportunities in other states and territories. Mutual recognition does not apply to business licences unless they are held by a natural person (e.g. not a body corporate).

In addition to the burden of red tape on licensees arising from the very different approaches, governments must retain oversight of their own regulatory regime while maintaining an understanding of how other regimes work in order to recognise interstate licences. These multiple approaches could be perceived to be economically inefficient for a nation of just over 23 million people².

Box ES.1: Case study of the cost to companies of meeting different licence requirements

Laser Plumbing in Tweed Heads is a company that operates on the border of New South Wales and Queensland. Its manager comments:

“As Laser Plumbing contracts in Tweed Heads we need to hold a licence in both states (both for the individual and company licences) as well as a Queensland Building Services Authority licence in Queensland. In Queensland you need to have a licensed plumber on site at all times or our company will be removed from that site. Journeyman tradesmen also need to be registered in both New South Wales and Queensland. It is a major cost to the business to maintain all these licences”.

Source: Case study received from Laser Plumbing, Tweed Heads, Australia, April 2012 (supplied by the Master Plumbers Association of NSW).

Government objectives for reform

The Council of Australian Governments (COAG) has sought to increase Australia’s productivity and provide the environment for a seamless national economy. A key part of achieving this objective is to address the deficiencies in the current approach to licensing in Australia by developing a National Occupational Licensing System (national licensing) for certain occupational areas. Under this reform, national licences would be issued by a national licensing authority and would allow licensees to operate in all Australian jurisdictions, without having to apply for another licence or pay an additional fee. This would increase labour mobility and improve the efficiency of regulation.

A national licensing system would commence with the following initial occupational areas which would be introduced in two waves:

- first wave: electrical; plumbing and gasfitting; property; refrigeration and air-conditioning
- second wave: building and building-related occupations; valuers and conveyancers.

COAG has agreed that, under national licensing, the first wave of licences will be settled by 2013, with the second-wave occupations to follow. The national licensing system would have the capacity to extend to other licensed occupations over time and provides a platform from which further harmonisation of state-based licensing arrangements, such as conduct requirements, could be considered.

The principles on which the work has been undertaken are based on COAG’s Principles of Best Practice Regulation and are incorporated in the *Intergovernmental Agreement for a National Licensing System for Specified Occupations*, which was signed by all jurisdictions in April 2009. These state that licensing arrangements should be effective and proportional to that required for

² ABS Population Clock 30 April 2013

consumer protection, and worker and public health and safety, while ensuring economic efficiency and equity of access.

Options considered

The following provides a summary of the four main options considered:

- Option 1: National licensing – ‘Three tier’ option. Under this option a contractor, a (full) licence holder and a registered tradesperson would require a licence to undertake specified categories of work and the broad scope of work undertaken by a licence holder would be the same. The difference between the two sub-options is the number of Certificate IV units needed to be eligible to hold the (full) licence.
 - Sub-option 1: This approach requires an overall increase in the number of Certificate IV units of competency required for new (full) licence holders, compared with current practice, depending on the licence category chosen.
 - Sub-option 2: This approach requires a smaller overall number of Certificate IV units of competency for new (full) licence holders compared with sub-option 1. This would approximate the status quo for most jurisdictions, compared with current practice. It would represent an increase or decrease in units for some jurisdictions.
- Option 2: National licensing – ‘Two tier’ option. Under this option, there would be no ‘supervised’/registered tradesperson level of licence, and upon completion of a Certificate III, licence holders could work unsupervised.
- Option 3: Automatic mutual recognition. Under this option:
 - Mutual recognition arrangements would be enhanced so that licensees would no longer have to apply for a licence in multiple jurisdictions.
 - Each jurisdiction would continue to issue licences against existing jurisdictional categories and associated scopes of work but with these licences being recognised by all states and territories without the licensee having to reapply for a licence or pay an additional fee. Recognition could be restricted to those licences where equivalency has been declared.
 - There would be opportunity over time to move towards a ‘harmonised set of categories’ or for jurisdictions to deregulate areas identified as unnecessary.
- Option 4: Status quo. Under this option, there would be no changes to existing licensing and mutual recognition arrangements. This option has not been costed.

Preferred option

The national licensing three tier, sub-option 2 is the preferred option in this Decision RIS. On balance, it represents the highest net benefit to the community, taking both qualitative and quantitative impacts into account, when compared against the other options considered.

Determining the highest net benefit to the community involves a balancing of factors, such as (but not limited to) appropriate levels of safety for consumers and reduced costs for businesses and/or licensees.

Overview of alternative options to national licensing

Two alternative options to national licensing were noted in the Consultation RIS: automatic mutual recognition and the status quo.

Automatic Mutual Recognition

The 2009 *Decision Regulation Impact Statement on the National Licensing System for Specific Occupations* outlined two possible approaches to an automatic mutual recognition (driver's licence model) – unharmonised and harmonised. In the first, licences would remain unharmonised; that is, skills, non-skills and administrative requirements would not be harmonised, and each jurisdiction would continue to implement their existing arrangements. A licensee able to perform the work regulated in one jurisdiction would be able to perform that work in any other jurisdiction without an additional licence. In the second, jurisdictions would seek to harmonise the aspects of licensing so that requirements across the country are the same.

Automatic mutual recognition would provide some benefits but is highly unlikely to deliver the same level of benefits as national licensing. As highlighted in this RIS, the current licensing arrangements across the states and territories are not harmonised and vary in terms of license categories, qualification requirements, and scopes of work. These variations between jurisdictions result in the restriction of workforce mobility, particularly in regional areas close to state borders and add increased costs to business and ultimately consumers.

Under either model, an occupational licence issued by any jurisdiction would be valid in any state or territory in Australia, therefore improved national labour mobility would be achieved and the regulatory burden could be expected to be reduced. State and territory autonomy would be maintained and transition and implementation costs would be minimised. Jurisdictions would retain the legislative power to vary licensing requirements to meet circumstances arising in particular states over time.

The unharmonised approach would effectively import the complexities of each jurisdiction's licensing system into the other jurisdictions. Regulators would need to be familiar with the scope of work covered by every jurisdiction's licence categories in order to properly monitor work and compliance with jurisdictional requirements. Employers would also need to understand the difference licence types as, at present, mutual recognition processes ensure that licences issued in other jurisdictions are assessed and a 'local' licence issued so that the scope of work authorised is readily understood. The unharmonised option has the potential to increase consumer confusion, undermine the integrity of jurisdictional regulatory regimes and increase the potential for jurisdiction shopping.

Under the harmonised licence model, national mechanisms would be needed to coordinate the establishment and maintenance of the arrangements and resolve different jurisdictional views. A number of examples of past attempts to harmonise regimes have failed. Some advocates for harmonised licences have suggested that only those licences with clear equivalence could be

harmonised, with others left unharmonised. For licences where no equivalence had been agreed, current mutual recognition requirements would need to continue. Such a two-tier approach would increase regulatory complexity. Difficulties are envisaged in maintaining consistency in legislative provisions without a common legislative basis. Costs would still be incurred in relation to policy development and legislative changes.

Under a harmonised automatic mutual recognition system, it is anticipated there would be a greater likelihood of resistance to reforms and therefore fewer opportunities to streamline and rationalise licensing frameworks compared with a single national licensing system which has an independent licensing authority in place whose role it is to develop and implement licensing reforms.

Difficulties are also envisaged in maintaining consistency in legislative provisions in a harmonised system without a common legislative basis. While the governance costs arising from automatic mutual recognition are less obvious than those from national licensing, they are still present and need to be considered.

Either model of automatic mutual recognition has the potential to provide for enhanced labour mobility, with lower immediate transition costs. However, the complexities of operating such a system mean that it is unlikely to achieve the same level of harmonisation and deregulation as national licensing. This would mean that the benefits would be lower. Implementation would be complex and would require close and ongoing co-operation and co-ordination at all levels of policy development, regulation setting and compliance.

Automatic mutual recognition would give rise to a more complex, less transparent, higher risk environment with less opportunity for reduced regulation and a reduced prospect for the longevity of the reform over time. Many of these costs would fall on businesses as they try to operate within an extremely complex regulatory environment.

It is estimated that neither model would provide the same level of benefit as national licensing. Automatic mutual recognition is therefore not the preferred option.

Further discussion of stakeholder views on AMR are outlined in Chapter 2. An assessment of the possible impacts is contained in Chapter 4.

Status quo

Under the status quo option, the states and territories would continue to operate their own quite different licensing systems. Licensed workers would continue to be subject to the *Mutual Recognition Act 1992* when they wished to work in another state or states, and would need to apply for a licence and pay an additional fee in each state or territory in which they choose to operate if licensed in that jurisdiction. This option would not address current regulatory complexities, duplication across jurisdictions or impediments to a seamless national economy. As COAG had already requested the development of a national licensing system, the status quo could not be the preferred option unless other options delivered a net cost, when all impacts were assessed. This is not the case. The status quo is therefore simply used to measure the costs and benefits of the other options presented.

Factors in determining preferred national licensing option

All national licensing models would achieve significant benefits through improved labour mobility and reduced red tape for businesses and licensees. While this benefit would be greatest for larger companies working in multiple jurisdictions, it would also be felt by small businesses, which would more readily be able to attract staff from other states and territories and be able to understand the scope of the licences prospective employees may hold. A majority of plumbing and gasfitting businesses are small businesses (less than 2 per cent of employers have more than 20 staff) and businesses operating in border areas are more likely to be smaller companies.

Under national licensing, licence requirements would be consistent in all jurisdictions and uniform licence categories would be issued. A national policy framework would apply overseen by a national occupational licensing authority, which would help ensure consistency. National legislation and policy development processes would underpin the system and provide a mechanism for ensuring that the system remained sustainable and that there was a forum in which to resolve jurisdictional differences.

National licensing involves each of the jurisdictions agreeing to a common set of licence categories and eligibility requirements so that there is one system and agreed set of requirements operating throughout the country. The key features of national licensing are set out below.

Box ES.2: Key features of national licensing for the plumbing and gasfitting occupations

- A licensee would be able to work anywhere in Australia without having to reapply or pay for a licence when they move to another jurisdiction within Australia.
- A central licensing body, the National Occupational Licensing Authority (NOLA), would be responsible for developing (with Ministerial Council approval) national licence policy for each occupational area and would oversee its consistent application by jurisdictional regulators. National licence policy includes:
 - the licence categories that should apply
 - the regulated work that can be undertaken by the holder of a licence category
 - who can apply for a licence (e.g. individual or body corporate)
 - skilled and non-skilled eligibility requirements (e.g. qualifications, personal and financial probity)
 - other licence characteristics (e.g. exemptions or exclusions)
- Jurisdictional regulators would administer the system as delegates of NOLA.
- A jurisdiction would not be required to introduce licensing where it does not already do so. However, if licensing is introduced in the future, a national licence would be issued.
- Current state and territory licensees would be deemed across to the new system at its commencement on the basis of 'no disadvantage' in terms of the scope of work a licensee would be able to perform.
- Licence fees would continue to be set by jurisdictions and paid only to the licensee's primary jurisdiction.
- A licensee's primary jurisdiction for an individual would be the principal place of residence and for bodies corporate would be the principal place of business.
- Skills maintenance on an as-needs basis when directed by the Licensing Authority.
- There would be no requirement for any retesting at licence renewal time. If the licence is not renewed within three months of its expiry a new licence application would be required and the current qualification requirements met (former national licensees can present a lapsed licence of the same category held within the three years prior to application).
- There would be standard qualification and eligibility requirements across all jurisdictions and there would be no experience requirements for obtaining a licence.
- There would be no skill or business qualification requirement for a contractor's licence (contractors not holding a licence to undertake the technical work would need a nominee).
- A range of unnecessary licence conditions would be removed.
- Personal and financial probity requirements would be made consistent.
- The process for skilled migrants would be streamlined.
- Licensees choosing to work in an additional jurisdiction would still need to comply with any relevant jurisdiction-specific conduct and compliance requirements that apply to work they intend to perform.

Considerable discussion surrounded the selection of the most appropriate model for plumbing and gasfitting licensing under national licensing.

The two tier model was developed for the Steering Committee as a theoretical position, based on a deregulatory approach to national licensing which most accorded with the COAG Best Practice Regulation guidelines; it was not fully worked through, or discussed with the stakeholder advisory committees at the time it was considered by the Steering Committee.

The two tier model, which removes the tradesperson level and decreases the qualification requirements for full licensees, provides the greatest net benefit (\$566.67 million total ten-year net present value) on a purely quantitative basis, due to the savings achievable from decreased regulation. However, there are significant risks presented by this option, which are difficult to accurately cost. This option is strongly opposed by both industry and regulators, on the grounds that it significantly reduces current qualification requirements for the plumbing and gasfitting occupations in all states and territories, and the reduced requirement would not provide the skills necessary to carry out critical functions associated with plumbing and gasfitting. This could lead to an increased risk associated with plumbing and gasfitting work, such as contamination of potable water (possibly leading to infection or death), asphyxiation, personal injury, property damage or energy inefficiency. An analysis of the difference in skills required for the two tier and three tier sub options, in terms of the number and type of units of training, shows that the two tier option provides greater exposure to these risks occurring. Section 3.2.8 and Attachment D provide further discussion on the difference in qualification requirements between the options. Both industry and regulators consider that a period of working under supervision is necessary before a person is able to achieve the breadth of skills necessary to become a full licensee. This model is considered to increase the risks for consumers and licensees when compared with the status quo and to increase the need for substantially increased monitoring and compliance action and is therefore not preferred, despite its financial benefits.

The three tier, sub-option 1 was developed with advice from the plumbing and gasfitting Interim Advisory Committee (IAC), which met to advise on policy options during 2010–11. The IAC comprised representatives from industry, unions, regulators, the training sector and a consumer group. A three tier model of contractor, full licensee and licensed tradesperson reflects the way in which many jurisdictions currently licence this occupation, although three jurisdictions do not have a separate contractor level. Instead, their full licence level is able to contract and perform the technical work as part of the licence scope. In Western Australia, this licence is called a contractor licence but does not licence business conduct. A significant majority of industry respondents supported a three tier model of licensing.

However, sub-option 1 provides an overall increase in qualification requirements at the full licence level. As such, it could not be supported under the Intergovernmental Agreement, which requires that arrangements should be 'effective and proportional' to the risks encountered. There has been no evidence that current arrangements have failed to mitigate existing risks or that the nature of risks has increased, therefore additional qualification requirements would increase the regulatory burden, compared with the status quo.

The three tier, sub-option 2 is considered the preferred option on balance, although it provides lower quantified net benefits (\$318.41 million total ten-year net present value) when compared with the two tier model. The qualitative risks identified are considered to outweigh the quantitative benefits of the two tier model. This model closely resembles the three tier, sub-option 1 model developed by the IAC but the qualification requirements at the full licensee level approximate a harmonised version of the status quo for most jurisdictions and not an overall increase in units as proposed under the three tier, sub-option 1. It therefore provides an increased quantified net benefit when compared with sub-option 1 (which provides an estimated \$226.02 million total ten-year net present value) while maintaining the core aspects of the model developed by the expert

industry and regulator representatives who participated in the advisory committees. The three tier, sub-option 2 does not increase risk, unlike the two-tier option and it has the support of the majority of occupational stakeholders as it most appropriately delivers the skills required in the industry, and therefore best mitigates the risks identified, when compared with the two tier option.

The rationale for discrete elements of the proposed model, such as categories and scopes of regulated work, are discussed in depth in Chapter 3: National licensing – overview of key features.

National licensing – costs and benefits

Table ES.1 sets out the impacts associated with each of the proposed reforms as well as an estimate of the potential flow-through benefits associated with increased labour mobility³ and returns to business.⁴ These impacts are presented in a number of different ways to allow readers to consider the difference between establishment and ongoing impacts along with the jurisdictional impacts. A ten-year net present value is presented, which is consistent with the COAG Best Practice Regulation guidelines; however, the reform's effects could theoretically be considered over a longer time period, which would result in a larger net benefit (as the benefits are expected to continue beyond the ten-year time period provided for in this analysis).

The two tier option would remove the need for all Certificate IV units (other than those relevant for endorsements) for licence holders. This, combined with improved labour mobility, the removal of experience requirements and a consistent licence period, means that, of all the options, it has the highest quantified net present value - \$566 million over ten years. It would also result in a positive quantitative impact in all jurisdictions mainly because Certificate IV units are currently required in all states and territories.

Under three tier, sub-option 1, there would be significant costs associated with the increase in the number of required Certificate IV units. In most jurisdictions, these costs would be offset by other benefits (such as improved labour mobility and the removal of experience requirements and there would be a quantified net benefit at the national level of about \$226 million over ten years.

The impact from three tier, sub-option 2 (the preferred option) is not driven by changes to Certificate IV units (these broadly remain the same as is currently the case, but are harmonised). Rather, the gains come from enhanced labour mobility, and the removal of experience requirements. This option would lead to a quantified net benefit nationally of about \$318 million net present value over ten years.

³ The analysis prorates for the plumbing and gasfitting sector the estimates associated with labour mobility prepared by the Productivity Commission as part of its 2009 Review of Mutual Recognition Schemes. For this estimate to be valid the specific assumptions made by the Productivity Commission would need to hold – namely that Australia is facing a 10 per cent increase in commodity prices above normal conditions and that these assumptions are also combined with an assumption for this analysis that mutual recognition is only 90 per cent effective in promoting labour mobility. These are strong assumptions and should be treated with caution but are nonetheless included to provide a 'line in the sand' estimate.

⁴ Most of the benefits are estimated for licensees, such as less time spent filling out forms. However, business also benefits. For the purposes of this analysis the business benefit is assumed to be equal to one-third of the impact for licensees.

Table ES.1: Summary of net quantified impacts by jurisdiction

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Two tier									
Ongoing net impact (\$ million per annum)	19.19	17.74	20.35	22.85	4.80	1.84	2.32	1.14	90.24
One-off transition costs (\$ million)	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Total 10-year NPV (\$million)	118.42	112.27	128.07	145.82	29.84	11.10	14.34	6.80	566.67
Three tier, sub-option 1									
Ongoing net impact (\$ million per annum)	15.43	6.80	9.26	3.71	1.76	0.70	0.16	0.20	38.02
One-off transition costs (\$ million)	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Total 10-year NPV (\$million)	93.92	40.88	55.69	20.94	10.02	3.69	0.20	0.67	226.02
Three tier, sub-option 2									
Ongoing net impact (\$ million per annum)	16.45	9.77	12.27	8.90	2.59	1.01	0.74	0.46	52.19
One-off transition costs (\$ millions)	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Total 10-year NPV (\$million)	100.57	60.25	75.33	54.82	15.40	5.68	4.03	2.34	318.41

NPV = net present value

Note: Brackets represent a cost.

Given that the options differ based on competency requirements and licence tiers, the ultimate decision between the three options depends on a judgment of the merits of the respective changes and their impact on safety outcomes. In this respect, the two tier option decreases current skill levels and could therefore lead to increased consumer and worker risk from plumbing and gasfitting work, such as that resulting from water contamination, explosion or asphyxiation. The three tier, sub-option 1 increases skills requirements, which could potentially reduce these risks compared with the status quo and the three tier, sub-option 2 maintains approximately the status quo for most jurisdictions in terms of training requirements. The merits of each option are discussed in detail in Chapter 3.

Tables ES.2 and ES.3 provide a further breakdown of the aggregates above in order to clarify the specific impacts associated with the respective changes being considered. There have been a number of changes to impacts compared to the Consultation RIS. In particular, the business value-add changes when there is a change to any impact with a time component, as it is calculated based on all labour efficiency impacts. Several of the changes since the Consultation RIS have contributed to a change in business value-add, including the move to a maximum five year licence period, rather than the standard three year period originally proposed.

Table ES.2: On going net quantified impacts on a per annum basis for each of the proposed reforms/impacts

	Two tier	Three tier Sub-option 1	Three tier Sub-option 2
Total ongoing (\$ million per annum annualised)	90.24	38.02	52.19
Changes to the Certificate IV units required ^a	35.31	(5.51)	5.56
Removal of need to hold multiple licences	1.35	1.35	1.35
Removal of need to hold multiple licences – government	(0.82)	(0.82)	(0.82)
Consistent licence period of one, three or five years	6.24	6.24	6.24
Introducing new licences ^b	(0.47)	(0.47)	(0.47)
Benefits from enhanced labour mobility ^c	32.12	32.12	32.12
Removal of experience requirements	5.18	5.18	5.18
Other impacts ^d	0.31	0.31	0.31
Business value-add	12.43	1.03	4.12
NOLA – operational costs	(1.40)	(1.40)	(1.40)

Note: Brackets represent a cost.

^a The extent to which the Certificate IV units currently mitigate safety risks, or whether their removal could potentially increase safety risks, is difficult to quantify. For that reason, the impact on safety and consumer outcomes has not been incorporated into the quantified analysis however a qualitative analysis is undertaken in Attachment D.

^b 'Introducing new licences' encompasses both 'introducing contractor licences' and 'introducing worker licences in Queensland'.

^c The benefit from improved labour mobility is difficult to quantify. To provide an indication of the potential benefit, this RIS draws on the work undertaken in this area by the Productivity Commission. While their analysis is not specific to the impacts of national licensing, it does provide one possible scenario to indicate the potential impacts from an increase in the mobility of labour. Given that the benefits from labour mobility under national licensing are expected to be positive, the Productivity Commission's work has been used as a proxy for the impact under national licensing to demonstrate the potential benefit that may result.

^d 'Other impacts' encompasses 'removing personal probity requirements', 'introducing financial probity requirements', 'removal of duplicate testing of licensees', 'removing the need for apprentices to apply for a licence' and 'removing requirement for licensees to prove their skills have been maintained when renewing'.

Table ES.3: One-off transition costs for each of the proposed reforms or impacts

	Two tier	Three tier Sub-option 1	Three tier Sub-option 2
Transition (\$ million)	(23.74)	(23.74)	(23.74)
Time for licensees to understand reforms	(11.30)	(11.30)	(11.30)
Business value-add	(3.77)	(3.77)	(3.77)
Government communications costs	(1.95)	(1.95)	(1.95)
NOLA – set-up costs	(1.64)	(1.64)	(1.64)
National licence register – jurisdictional implementation	(5.08)	(5.08)	(5.08)

NOLA = National Occupational Licensing Authority

Note: Brackets represent a cost.

To provide context for the impacts set out in tables ES.4 and ES.5, the following section sets out a high-level overview of the impacts of national licensing for specific sectors and affected licence holders.

Impacts for licensees

The high-level descriptions of the proposed changes set out in tables ES.4 and ES.5 highlight that licensees are the initial beneficiaries of the majority of the proposed changes.

The tables aggregate the impact on licensees, but in reality the reforms will have different impacts on certain licensees. In terms of the impact on licensees:

- The most significant potential cost or benefit of the options considered relates to changes to required Certificate IV units. Setting issues of consumer and worker risk aside, there would be sizeable savings to licensees if these were removed altogether under the two tier option because licensees would no longer need to spend time and pay the fees associated with obtaining those units. Conversely, there would be costs if these requirements were increased, for example, under three tier, sub-option 1.
- The two tier option would allow an individual who has completed a Certificate III in Plumbing or Gasfitting to sign off on their own work under jurisdictional conduct legislation without the need for a supervising plumber (this will be achieved through the removal of the licence category of 'registered tradespersons'). This would be a significant change to the structure of the industry and could have an impact on the level of competition and, therefore, wages. Under national licensing, experience requirements would be removed, and plumbers and gasfitters could obtain a licence sooner if they wish to do so, thereby more quickly earning the associated wage.
- Licensees will benefit from the removal of the need to hold multiple licences, and a range of other requirements not deemed necessary.
- There will be transitional costs for licensees, which relate to the extra time licensees will need to understand the proposed changes. While the actual amount of benefits may differ from those estimated, the transition costs are small relative to the potential ongoing benefits.

Impacts for business and consumers

Those who employ or use plumbing and gasfitting services will benefit from enhanced efficiency in plumbing and gasfitting occupations and the potential for more efficient flow of labour brought about by national licensing. Enhanced labour mobility leads to better allocation of resources – in this case in plumbing and gasfitting licensees. How much this benefits licensees, business, consumers and the economy more broadly will depend on the extent to which the wages and the cost of plumbing and gasfitting services are unnecessarily high (or low) in one jurisdiction due specifically to the limitations of mutual recognition and the current licensing systems in each state or territory. The labour mobility benefit would be greatest for larger companies working in multiple jurisdictions, but would also be felt by small businesses. The vast majority of plumbing and gasfitting businesses are small and businesses operating in border areas are more likely to be smaller companies.

Safety and consumer outcomes

There is a risk that the two tier model will significantly reduce safety outcomes for consumers and workers, as it decreases the level of training currently undertaken and will not provide licensees with the skills necessary to perform work at the unsupervised level. In particular the two tier option removes the requirement for licensees to complete a number of Certificate IV units, and was developed on the untested premise that a Certificate III qualification could be sufficient to obtain a licence (as currently occurs in the electrical and refrigeration and air-conditioning occupations), although endorsements may need to be introduced. This view has been strongly rejected by industry and regulators.

The ultimate decision between the options is dependent on how the options may affect safety within the occupation. While the extent to which the existing or proposed Certificate IV units currently mitigate safety risks, or whether their removal could potentially increase safety risks, is difficult to fully estimate, there is wide acceptance amongst stakeholders that the level of risk under this option is significantly higher than under the three tier proposals.

Impacts for government

There are a number of expected impacts on government and regulators associated with the proposed reforms.

First, the jurisdictions are contributing their proportional share for the establishment and ongoing costs of NOLA and the national licensing register. While the appropriateness of matching these costs with the benefits of removing selected licensing requirements has been discussed above, the jurisdictions have rightly identified additional costs that will be incurred on an ongoing basis, such as to ensure that current IT systems can feed into the database that supports the national licensing register. There is the potential for further offsetting savings that could occur at the jurisdictional level, in the area of additional policy development across the occupations, relating to licensing, which could be consolidated into NOLA. The extent to which these gains are realised depends on a range of factors, however, including the extent to which jurisdictions continue to maintain policy advisory functions providing input to the national licensing authority.

Second, the removal of various licensing requirements, categories or licences will mean that fewer regulatory activities will be undertaken by most regulators. At the same time, the reduction in licence fees – due to people no longer holding multiple licences – will mean that less money may be available for compliance activities in some jurisdictions. Current jurisdictional fees recover costs for both processing and other activities, such as compliance. Regardless of how costs are recovered, and leaving aside the benefits and costs of NOLA and the national licensing register and database, simply abolishing the need for duplicative licensing should of itself lead to lower government costs and resource needs.

While the modelling does not quantify the potential benefits associated with the national public licensing register and its supporting database, there are potential positives that could flow from its use. In particular, the national public register is expected to:

- facilitate identification of any serious non-compliance by licensees nationally – rather than on a state-by-state basis as currently occurs

- help to prevent phoenix companies (companies that fail, and/or become bankrupt and which are subsequently re-established by the same business interests but under another name) emerging across borders following a failure in compliance
- enable consumers to confirm that any licensee they propose to engage is legitimately licensed, boosting public confidence in the industry and regulatory system.

Additional wider economic impacts

The analysis above focuses on estimating direct consequences assuming that other things remain unchanged. An economy-wide modelling exercise has also been undertaken to check that these broad benefits still apply even when accounting for the resulting changes in other industries and macroeconomic conditions (e.g. exchange rates, wages, balance of payments and so on). In particular, the results of the cost–benefit analysis that are set out above were used as an input into the Monash Multi-Regional Forecasting model. The key inputs are efficiency gains to licensees, fee reductions to licensees, and flow-through value-add to businesses.⁵ This economy-wide modelling demonstrates the potential flow-on effects of the direct impacts estimated in the cost-benefit analysis. The results represent a supplementary source of information for decision-makers, but are not an input back into the central cost–benefit analysis used to assess the direct impacts.

Based on these inputs, Table ES.4 outlines the expected macroeconomic impacts of national licensing for plumbing and gasfitting occupations. The table shows that all of the options would increase GDP, wages and investment; the largest potential gains would come from the two tier option, which reflects the quantified results from the cost–benefit analysis. These results are discussed in more detail in Chapter 4.

Table ES.4: Macroeconomic results for each option (\$ million, typical year)

	GDP	Wages	Investment	Exports	Imports
Two tier	54	17	18	33	7
Three tier, sub-option 1	5	1	2	5	0
Three tier, sub-option 2	18	6	6	10	2

Note: GDP, investment, exports and imports have been calculated from the percentage change results from the computable general equilibrium model and applied to ABS 2011 data. Wages have been calculated by taking the percentage increase in wage from the computable general equilibrium model and applying it to the average wage (based on ABS 2011 data), multiplied by the number of plumbing and gasfitting workers in Australia for 2011.

It should be noted that the CGE modelling was not updated from the Consultation RIS. The differences in the structure of the proposed model and changes to assumptions underlying the model between the Consultation RIS and Decision RIS would impact these results. Accordingly, the CGE modelling results are only indicative of the type and scale of the overall long-term impacts on the economy if national licensing is adopted.

⁵ The results of the economy-wide modelling reflect the magnitude of the impacts estimated in the cost–benefit analysis. Those impacts are assumption driven and as such the value of the economy-wide modelling is in terms of how it shows the relative implications for sectors of the economy.

Consultation process and outcomes

A Consultation RIS outlining policy proposals for the establishment of a national licensing system for the plumbing and gasfitting occupations was released on 13 August 2012 and published on the www.nola.gov.au website. Approximately 2,000 stakeholders who had previously indicated interest in the reform were directly notified of the release of the RIS.

Public information sessions concerning the RIS were held in every state and territory between 31 August and 25 September 2012. These sessions were promoted through emails to those registered to receive information on the reforms and advertised in key major metropolitan newspapers, and through the www.nola.gov.au website. The information sessions on the plumbing and gasfitting occupations were attended by 242 people. Draft legislation for the reforms was also made publicly available at this time.

Comments on the RIS and draft legislation were possible from the release of the RIS until 12 October 2012. 1339 submissions were received. A list of those providing submissions is provided at Attachment B.

Approximately a quarter of all submissions were received through the on-line survey, while the remainder were hard copy submissions, with most of these being 'form' or 'template' submissions. It should be acknowledged that approximately 50 per cent of all submissions supported automatic mutual recognition only. The most frequently stated reason for this support, and for the lack of support of these respondents for national licensing, was that automatic mutual recognition would not require change to existing arrangements, including changes to classes of licence and qualifications. It was also clear that respondents feared that national licensing might increase regulatory arrangements for some licence classes. Interestingly, almost two-thirds of respondents to the on-line survey, who were specifically asked to give reasons for their support of a particular model, indicated that increased labour mobility was very important to them. As the automatic mutual recognition option was not fully developed for the Consultation RIS, respondents may not have received sufficient information to understand the complexity of this approach, particularly for employers and regulators, and that there may be unintended consequences arising from what appears, at first glance, an 'easy' model for improving mobility for licensees.

It should also be noted that the responses are sometimes difficult to interpret, as it is not always easy to compare the on-line and template submissions on many of the key issues, and many stakeholders provided a form of bargaining or negotiated response, where they rejected national licensing unless certain changes were made or perceived omissions rectified. As an example of the latter, the majority of the more than 120 responses from the irrigation sector indicated support for automatic mutual recognition as the original proposal did not include an irrigation licence and the existing proposal would have reserved irrigation work to plumbers. Following further work which has occurred to identify and meet the needs of the irrigation industry, the level of support for national licensing appears to have substantially improved.

In a similar way, over 42 per cent of those using template responses, (frequently originating in peak agencies), supported the concept of national licensing but sought additional changes to the way it was proposed. These sometimes indicated that, if the proposed amendments were not included, they would support the status quo or automatic mutual recognition as an alternative. A number of

these proposed amendments have been able to be included. If these submissions indicating conditional support were added to those expressly supporting national licensing, approximately 46 per cent of all respondents could be considered to support a national licensing approach. The majority of peak bodies providing submissions indicated a preference for national licensing, provided that the three tier model was adopted. Reasons given for supporting the three tier model were that it represented the views of industry, as expressed by the Plumbing and Gasfitting IAC; it matched the proposed qualifications to the scopes of work identified and offered ease of understanding to both employers and licensees. Surprisingly, a relatively low proportion of those supporting the three tier model indicated which sub-option they preferred but, of those that did, approximately two-thirds supported sub-option 1 as it was the model developed by the IAC. Of far more importance to most respondents was the selection of the three tier model over the two tier, which was strongly opposed. Only 28 submissions supported the two tier model. Many submissions supporting national licensing did not nominate a model preference at all.

Stakeholder views on particular elements of the proposed approach are included in Chapter 3, which provides the rationale for the proposed model.

Other features of national licensing

Fees

Licence fees will continue to be set in jurisdictional legislation and will therefore continue to differ across jurisdictions. It is proposed that licensees will pay their licence fee and renewals in their primary place of residence or, in the case of an applicant being a body corporate or an individual who is a member of a partnership or a sole trader, the jurisdiction in which the principal place of business is located.

The concept of setting a uniform national fee for each national licence was explored. The introduction of uniform fees would alter existing fees in many jurisdictions, and depending on the approach taken to national fee-setting, may affect the ability of some jurisdictions to continue funding existing activities (without potentially introducing new or increasing state-based fees, charges or penalties).

Jurisdictions collectively received facilitation payments of \$100 million in 2008–09, from the Commonwealth, to progress the 27 deregulation priority reforms for a seamless national economy, including national licensing. It is likely that some of these payments will address costs of implementing national licensing in jurisdictions, thus minimising passed-on costs to business and individuals. There are also ongoing costs to maintain NOLA and the national licensing register. How these costs will be covered is a matter for individual jurisdictions to determine and they may, in some cases, be passed on to licensees through increased fees. This Decision RIS indicates that the benefits of the reform outweigh these costs.

Licence period

The National Law provides that a licence may be granted for a period of up to five years. Following consultation with jurisdictions, all licence applicants will be able to choose between a one year, three year or five year licence period under national licensing for all licence types (contractor and

non-contractor) except for provisional licensees, who are only permitted a licence period of one year.

The periods for which a licence is offered can impact on costs, as longer licence periods require fewer applications and therefore less regulatory effort than shorter ones. However, longer licence periods can increase risks to consumers arising from renewal probity checks not occurring within reasonable timeframes and the licence register containing out-dated licensee data.

While the most benefit could be obtained, theoretically, by increasing the licence term beyond a five year period, or by making a licence permanently valid, in practice a regular renewal period has a number of benefits, although they are not easily quantifiable. These include ensuring the contact details for each licensee are kept up to date, which is essential for compliance practices, providing the regulator with the opportunity to remove records for those no longer holding a licence to carry out regulated work, so that the number of licensees can be monitored and allowing for periodic checks on the currency of requirements such as personal and/or financial probity. It provides a set point at which licensees can be provided with information on changed requirements or standards, which may necessitate professional development or other activity and it provides a revenue stream to reimburse regulator activity

Although a 10 year licence period and a perpetual licence have benefits of \$8.39 million and \$10.54 million (annualised ongoing impact) respectively under the three tier, sub-option 2, the non-quantifiable benefits associated with a more regular renewal period mean that, on balance, 5 years is the preferred longer licence period. The net quantifiable benefit of the 5 year period for this option is \$6.24 million (annualised ongoing impact).

Current licence periods range from one to five years across jurisdictions, as shown in Table ES.5. Licensees in states and territories with a licence period of one year would gain a direct benefit from being able to choose to obtain a licence for a three or five year period under national licensing.

Table ES.5: Current licence periods in each jurisdiction

Jurisdiction	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Contractor	1 or 3	N/A	1	3	1	1 or 3 plumbing or plumbing and gas 1 gas	1 or 3	N/A
(Full) licence holder	3	1	5 plumbing and gas	3	3	1 or 3 plumbing or plumbing and gas 3 gas	1 or 3	5 gas 3 plumbing
Registered tradesperson	3	3	1	3	3	1 or 3 plumbing or plumbing and gas 3 gas	1 or 3	5 gas 3 plumbing

N/A = not applicable

It is acknowledged that licensees in states and territories with a five year licence period would incur a cost if all licensees chose to renew their licence every year or every three years. Similarly, regulators would spend more time in processing these licence applications more often.

Chapter 4 provides an analysis of alternative licence periods. Given the variation in current licence periods, Chapter 4 also compares the impacts of a three year, ten year and perpetual licence period to illustrate the potential impacts of alternative licence periods. The agreed licence period(s) would apply to the full range of occupations captured under national licensing, not just the plumbing and gasfitting occupations.

There will be an agreed transitional period, yet to be determined, to national licensing. During that time, licensees can use either a jurisdictional or national licence number. Existing licensees will be able to work in all jurisdictions as they will be deemed to have a national licence. Licensees will not be required to obtain a national licence card or documentation ahead of the expiry of their current licence.

Responsibilities of the national authority and jurisdictional regulators

Under the national licensing option the National Occupational Licensing Authority would have two key roles. One is to be the central driver of future licence policy and reforms, including overseeing the consistent application of policy by jurisdictional regulators (as delegates); pursuing ongoing reform of licences, including to decrease regulatory burden as technology and industry practices change over time; reviewing occupational licensing policy over time; and overseeing the introduction of additional occupations. The second role is to maintain the national public licence register and its supporting central database. The key benefits associated with NOLA are not directly associated with licensing functions per se (see Figure ES.1), but rather flow over the long term from enhanced regulatory oversight and nationally coordinated and streamlined policy development.

Specifically, NOLA would have responsibility for implementing the national licensing system legislation, but would delegate to the jurisdictional licensing agencies the operation of licensing services, for example, processing applications and carrying out enforcement and compliance activities. States and territories could use existing staff and infrastructure for these licensing functions, but would incur additional IT costs to interface their licensing systems and data with those of NOLA. Service agreements between NOLA and the jurisdictional licensing agencies would be used to establish consistent service delivery standards across Australia. NOLA will provide advice to the responsible ministerial council, currently the Standing Council for Federal Financial Relations, following input from its advisory committees.

The model whereby the central agency, NOLA, delegates administrative and operational elements of the national licensing system to the states and territories was agreed by the Standing Council for Federal Financial Relations in April 2009 following consultation which also canvassed the adoption of a single agency model.

Figure ES.1: Responsibilities of the licensing authority (NOLA) and the delegated jurisdictional regulators



Conclusion/Recommendation

The three tier, sub-option 2 is the preferred option in this Decision RIS. This option follows, to a very large extent, the proposals for categories, scopes of regulated work, eligibility requirements and other licence elements developed by the Plumbing and Gasfitting IAC. Some modifications to the original proposal have been made based on additional information received from industry and the submissions process more broadly. These include the addition of a restricted licence for urban irrigation and the restricted fire protection (inspection/ testing) licence.

The three tier, sub-option 2 provides a harmonised model which addresses COAG’s goal of improving labour mobility through national licensing. It provides a rationalised system which reduces some aspects of regulation identified as unnecessary while continuing to preserve existing safeguards for consumers and workers. It provides more appropriate mechanisms for addressing consumer and worker safety risks than the two tier option and does not increase the existing regulatory burden, as would have occurred with the higher qualification requirements proposed in three tier, sub-option 1.

The three tier, sub-option 2 represents the highest net benefit to the community, taking all impacts into account, when compared against the other options considered and it has industry support.

1 General policy context

The Council of Australian Governments (COAG), in July 2008, agreed to wide-ranging regulatory reform to increase Australia's productivity and provide the environment for a seamless national economy.

Many of the challenges facing the Australian economy can only be addressed through more coordinated regulatory arrangements. The COAG reforms aim to provide a more streamlined, consistent and targeted regulatory environment, reducing inefficiencies and duplication, removing red tape and facilitating flexible and productive operating conditions for businesses and workers across Australia. These reforms have the potential to make life simpler for businesses and consumers, while continuing to provide the necessary protections and access for consumers and the community. National licensing forms one of 27 key areas for regulatory reform agreed in 2008, the majority of which have now been implemented. Implementation of the remaining reforms, including national licensing, is being overseen by the Business Advisory Forum Taskforce, which is composed of senior state and territory officials.

There is no consistent national licensing approach in Australia. Each state and territory uses a separate licensing approach, with different licence categories, scope of regulated work and eligibility requirements. This hinders labour mobility across Australia and increases the regulatory burden for licensees and government.

COAG agreed to develop a national licensing system with the following characteristics:

- cooperative national legislation
- national governance arrangements to handle standard-setting and policy issues and to ensure consistent administrative and compliance practices
- all current holders of state and territory licences deemed across to the new licence system at its commencement
- the establishment of a publicly available limited national register of licensees
- no legislative role for the Commonwealth in the establishment of the new system.
- National licensing is initially being considered for four occupational areas, which were chosen based on the following selection criteria:
 - at least one critical area of the occupation licensed across all jurisdictions
 - all have been subject to the work on achieving full and effective mutual recognition
 - the importance of the occupation to the economy in terms of level of demand, intrinsic mobility and number of licensees
 - the volume and nature of mutual recognition difficulties.

The four occupational areas are:

- plumbing and gasfitting occupations

- electrical occupations
- property occupations
- refrigeration and air-conditioning occupations.

The development of a national licensing system was endorsed by the states and territories in April 2009 by the signing of the Intergovernmental Agreement for a National Licensing System for Specified Occupations (the Intergovernmental Agreement).

The implementation strategy of the 2009 decision foreshadowed further research and consultation to inform more detailed arrangements regarding the implementation of national licensing for each of the occupations identified. Policy development work was undertaken from 2009–11 and culminated in a number of options for national licensing, which were included in the Consultation RIS for each of the occupations identified and released for public comment between July and August 2012.

The objective of this Decision RIS is to consider feedback received on the options proposed in the Consultation RIS and any further information that has come to light, and to recommend a preferred national licensing option, which provides the highest net benefit to the community, taking into account all the impacts.

National licensing is a threshold reform. It sets in place national licensing eligibility requirements and the related disciplinary framework, as the first step in developing a comprehensive national licensing scheme that could, once fully developed, encompass the requirements for both obtaining a licence and the behaviour and standards (conduct) required to maintain a licence.

Details on the policy development process undertaken, together with the objectives and principles which underpinned the work and the advisory mechanisms used, is provided at Attachment C.

The behaviours and standards (conduct) to be met by licensees are not currently part of the proposed national occupational licensing reform. A separate reform to potentially harmonise conduct requirements, commencing with property occupations, is being considered by the Legislative and Governance Forum on Consumer Affairs (formerly the Ministerial Council for Consumer Affairs). The full benefits of a proposed national licensing system would be realised if this further reform were undertaken.

1.1 The Occupational Licensing National Law Act 2010

The *Occupational Licensing National Law Act 2010* (the National Law) has been passed in six jurisdictions (New South Wales, Victoria, Queensland, South Australia, Tasmania and the Northern Territory). This Act is national framework legislation that seeks to establish national licensing.

The Bill for the National Law passed Western Australia's Legislative Assembly on 24 November 2010 and was referred to the Western Australian Standing Committee on Uniform Legislation and Statutes Review. The Committee did not support the Bill in its current form and Western Australia will consider its position on the Bill based on agreement of a preferred model following the Decision RIS.

The Australian Capital Territory has reserved its right not to implement national licensing if the costs to the Territory outweigh the benefits.

The National Law provides the high-level framework for national licensing policy and regulations. A copy of the National Law can be found on the national licensing website at www.nola.gov.au.

During the policy development process, it became clear that some amendments to the National Law are required. The release of the draft Amendment Bill and draft regulations occurred within the consultation period to allow for public comment to also occur on these.

2 Options for reform

This chapter provides a brief overview of the options considered for a national licence for plumbing and gasfitting occupations and the reasons leading to the recommendation of the preferred option. A detailed description of key elements of the rationale on which the selected elements are based is provided in Chapter 3.

2.1 Options considered

The options considered for the licensing of plumbing and gasfitting occupations were as follows:

- *Option 1: National licensing – Three tier option.* A single consistent national approach to be introduced for obtaining a plumbing and/or gasfitting licence. This would allow a person to work anywhere in Australia where the relevant work is licensed without having to reapply for a licence or pay an additional fee. A contractor, a (full) licensee and a tradesperson registration holder would require a licence. There were two sub-options under this proposal:
 - Sub-option 1: An approach whereby qualifications for a tradesperson registration are primarily set at the Certificate III level with full licensees requiring an additional set of Certificate IV units for each category. This represents an increase in qualification requirements for some jurisdictions compared with current practice.
 - Sub-option 2: An approach whereby qualifications for a tradesperson registration are primarily set at a Certificate III level with full licensees requiring an additional set of Certificate IV units for each category, however the overall number of Certificate IV units of competency for new (full) licence holders is less than for sub-option 1. This largely represents the status quo for most jurisdictions, compared with current qualification requirements.
- *Option 2: National licensing – Two tier option.* An approach whereby licensing is required at the contractor and (full) licence level only and a Certificate III qualification would be sufficient to obtain a full licence. A single consistent national approach to be introduced for obtaining a plumbing and/or gasfitting licence. As for the three tier model, this would allow a person to work anywhere in Australia where the relevant work is licensed, without having to reapply for a licence or pay an additional fee. Under this model, only a (full) licence and a contractor licence would be issued.
- *Option 3: Automatic mutual recognition.* This option proposed a ‘driver’s licence’ approach to national licensing, whereby each jurisdiction would continue to issue licences either against existing jurisdictional categories and associated regulated work, or against a harmonised set of categories and work and licences which have been declared equivalent following agreement by the states and territories. In both cases, these would be recognised by every other state and territory without the licensee having to reapply for a licence or pay an additional fee.
- *Option 4: Status quo.* Under this option, states and territories would continue to license plumbing and gasfitting occupations as they currently do.

2.2 Preferred option - requirements

The COAG RIS requirements are that a Decision RIS provide a clear statement as to which is the preferred option and why. The RIS should demonstrate that:

- the benefits of the proposal to the community outweigh the costs; and
- the preferred option has the greatest net benefit for the community, taking into account all the impacts.

There are a number of reasons why the ‘preferred’ model may not be the one with the highest economic benefit. These include that the model with the highest economic benefit may not adequately address the risks presented, or may be extremely difficult to implement, given strong opposition by industry. Both factors apply to the proposals for national licensing in the plumbing and gasfitting occupations.

The preferred model is that selected after balanced consideration of all factors: it focuses on the economic cost and benefit but also takes into account appropriate risk mitigation approaches, stakeholder views and the impact on existing industry practices including niche markets.

As the work in this Decision RIS builds on previous consultation findings that were supportive of a national licensing system and which were subsequently endorsed by COAG through the signing of the Intergovernmental Agreement for a National Licensing System for Specified Occupations (the Intergovernmental Agreement) and passage of the *Occupational Licensing National Law Act 2010* (the National Law), national licensing was considered the preferred model, compared with automatic mutual recognition and the status quo, subject to a cost–benefit analysis being undertaken of the different approaches proposed to national licensing.

2.3 ‘Preferred’ national licensing option – Three tier sub-option 2

The preferred option is the three tier, sub-option 2. The following provides a discussion of the merits of each option and the rationale for the three tier, sub-option 2 being the preferred option.

The three tier sub-options are identical in all respects apart from the qualification requirements at the full licensee level, e.g. the categories, scopes of work and non-skills requirements are identical in both models.

The three tier licensing model reflects the current approach in many jurisdictions:

- *Contractor licence*: the licence holder is authorised to contract to do the regulated work.
- *Full licence*: the licence holder is authorised to carry out regulated work unsupervised and is able to sign off on the technical compliance under jurisdictional conduct legislation, but cannot contract with the public.
- *Tradesperson registration*: the registration holder must be supervised to undertake regulated work, cannot sign off on the technical compliance under jurisdictional conduct legislation and cannot contract with the public.

The three tier proposal is based on the view that there is a skills distinction between the (full) licence and tradesperson registration levels that should be maintained. The IAC advice was that neither a Certificate III in Plumbing nor a Certificate III in Gas Fitting qualification provided sufficient skills for a person to undertake the main functions of plumbing and gasfitting work and that a plumbing or gasfitting tradesperson holding a Certificate III in this occupational area needed a further period of training and experience before they could work unsupervised.

The three tier, sub-option1 – widely supported by industry – increases qualification requirements at the full licence level for a number of categories. Such an increase could not be supported under the Intergovernmental Agreement, which specifies that arrangements should be ‘effective and proportional’ ‘while ensuring economic efficiency’. As there has been no demonstrated failure in current arrangements, there does not appear to be a case to increase regulation.

The most deregulatory option is the two tier option. This option provides the greatest *quantifiable* net benefit of all the options considered as it removes the licence tier of registered tradesperson. It reduces the qualification requirements for a full licensee, removing any requirement for additional Certificate IV units following attainment of a Certificate III qualification in plumbing or gasfitting. It could therefore increase competition as it would decrease the requirement for entry into the occupation. Estimates of the economic benefit of this option indicate that the ongoing net annual impact of choosing this option would amount to \$90.24 million, compared to the three tier, sub-option 2 (the proposed option), which provides \$52.19 million and the three tier, sub-option 1, which provides only \$38.02 million.

A majority of steering committee members suggested this model as being consistent with other trade areas (the electrical occupations and refrigeration and air-conditioning) which require only a Certificate III before a person is able to work independently. Under the two tier model the full licence level and tradesperson level would essentially be combined. The model has not been fully worked through in terms of its ramifications for skills requirements in relation to the scopes of work for each category of work developed by the IAC. It is clear that the training provided by the Certificate III level would not provide sufficient skills for licence holders to undertake the extent of activity described in the proposed scopes of work, including working unsupervised and signing off on technical compliance, as these were developed in relation to a three-tier model where the registered tradesperson and full licensee carried out the scope of work at different levels of complexity. The scope of work outlined for the different levels of licence holder, while described in the same way is, in practice, differentiated by the qualifications held.

It was observed by steering committee members that the additional training requirement to move between these levels may not always be available or funded and could create a barrier to progression within the trade. As an example, it has been suggested that the estimated cost to reach a (full) licence level for a drainer would be approximately \$3,500 and entail around 276 hours of classroom delivery.

This option is not proposed however, as the consensus of members of the Interim Advisory Committee (IAC), regulator working group, Interim Occupational Licensing Advisory Committee (OLAC) (between them, the groups represent industry representatives, unions, regulators and the training sector) and individual licence holders was that the proposed changes under this model would provide inadequate training for those undertaking regulated work, leading to ‘practitioners eligible to work beyond their demonstrated competency’ and significantly increasing risk to both workers and consumers. In a combined IAC and regulator working group position paper developed in

response to the original proposal of this option, it was pointed out that *'the skills recognition mapping under the AQF [the Australian Quality Framework which supports training quality] clearly delineates that it is only at the Certificate IV level that a qualification-holder is expected to take responsibility for their own outputs in relation to specified quality standards'*. The paper continues:

'The Certificate III level qualification alone does not provide the competencies necessary to proficiently carry out the full extent of the activities envisaged in a given scope for a category of work (e.g. water, gasfitting, drainage). Accordingly, any reduction in the qualification requirements for performing the work reserved for holders of a certifier licence [equivalent to a full licence level] (as recommended by the IACs) will pose significant health and safety risks to practitioners, consumers of plumbing work and the wider community.'

'There are a number of common competencies that are necessary for all categories of plumbing work to ensure the attainment of skills for critical functions like the design, commissioning, testing and sizing of plumbing and gas fitting work. These competencies are essential for all plumbers and gas fitters seeking to perform these functions and are not sufficiently provided under a Certificate III qualification. These functions form intrinsic components for satisfactorily undertaking the majority of plumbing and gas fitting work, and collectively they play a significant role as safety control measures which ensure that plumbing and gas fitting work is competently and appropriately planned, undertaken and made operational.'

A number of the Certificate IV competencies proposed as eligibility requirements for a full licence are currently requirements for licensing in almost all jurisdictions. For example, the majority of jurisdictions currently require applicants for a water plumbing, sanitary plumbing or drainer licence to have completed the relevant Certificate IV competencies dealing with the planning, sizing and layout of systems associated with this work. The position paper also indicated that a three tier structure provides for a period of supervised workplace training and experience development. *'It is the combination of the higher level competencies and the on-the-job training that delivers the optimised outcome necessary for this industry'*. It was pointed out that not all registered tradespersons will seek to advance to full licence status.

The IAC and regulator working group considered that, rather than a barrier, the three tier structure *'is more appropriately characterised as a fast track to licensing by creating a lower level threshold requirement for entry level training.'* If all entrants were required to complete both the Certificate III national plumbing qualification and the additional Certificate IV units considered necessary to achieve full plumbing or gasfitting skills, this would create a greater barrier to entry than if the structure provided for a supervised level of licensee, as proposed.

The original majority Steering Committee decision to examine the two tier option noted that *'a model could be adopted where endorsements are available to recognise the additional training'* and *'these could be expanded to include other areas of work that need specialised training that is not covered by the Certificate III'* (COAG National Licensing Steering Committee Record of Outcomes, 23 March 2011). Work has not been undertaken on these additional endorsements or the qualification requirements that might support them. This work could be undertaken by NOLA, should this option be supported on the basis of net quantifiable benefit alone. As the key stakeholder organisations who provided advice during the policy development process are also those who could be expected to participate in NOLA's advisory mechanisms, it is possible that a number of endorsements could be introduced over time to cover the work that these stakeholders consider is not adequately trained

for in the Certificate III. In that case, the three tier, sub-option 2 might present, in comparison, a more streamlined response to the national approach.

The IAC and RWG challenged the comparison with the electrical industry licensing structure, indicating that plumbing and gasfitting covers a broader range of licensed work than the electrical occupations and therefore requires a more diverse range of competencies than an equivalent electrician. The following simplified characterisation was included in a position paper developed to indicate the views of the IAC and RWG:

General Comparison: Electricians & Plumbers/Gasfitters

A general level electrician runs one service; electricity, installs to one major standard; AS/NZS 3000 uses one main material; wire (albeit in two or three configurations at this level) with a few end points such as switches and plugs. They are required to certify and do tests with equipment that either pass or fail without calculations (other than a few critical measurements such as distance between power and water outlets) or deliberation.

By comparison the basic work of a general context plumber and gasfitter requires runs of numerous services such as gravity sewer drainage (connected to gravity or vacuum sewer mains or to onsite treatment), cold water (could include drinking water, recycled water, rain water etc.), heated water (water heaters could be electric, gas, solar etc.), gas service (could be natural gas, LP Gas or other), sanitary plumbing and fixtures.

This breadth means they must be familiar with a broader range of technical standards, as a general minimum: AS/NZS 3500.1, AS/NZS 3500.2, AS/NZS 3500.4 and AS/NZS 5601. They will also work with numerous materials including but not limited to: PVC-U, PE, PB, composite plastics/metal and copper with each material having specific fixing methods and a myriad of jointing systems. They will certify to tests that include geophysical (selection of bedding material for in-ground services), compaction, hydrostatic, air or smoke on gravity drainage and sanitary plumbing, pressure tests on water and gas services, temperature tests at storage and outlets of heated water services.

All three advisory groups strongly recommended a three tier approach to the licensing of plumbing and gasfitting as providing the structure which most appropriately delivers the skills required in the industry, and which therefore best mitigates the risks identified, when compared with the two tier option.

2.3.1 Consultation feedback

Overall, the majority of those submissions favouring national licensing, and which expressed a preference for a particular national option, supported the three tier, sub-option 1, which is the option developed by the IAC. This was overwhelmingly the case for the large number of 'form letter' submissions (template submissions), many of them originating in the Master Plumbers organisations, but was also a position supported by many peak organisations.

A majority of respondents, particularly those providing form letters, indicated that they did not support the two tier model as this provided an unacceptable decrease in skills required and would increase consumer and worker risk. Approximately 25 per cent of those favouring national licensing and responding through the online survey did express support for the two tier option however, and these respondents were mainly from New South Wales, Victoria and Queensland. Economically, this

option provides the greatest net benefit but the increased risk arising from such an approach suggested that this approach would be difficult to implement as it would be unacceptable to many sectors of the industry.

2.4 Automatic mutual recognition

Automatic mutual recognition was included as an option in the Consultation RIS. It had been previously discounted in the 2009 Decision RIS but was not costed at that time. The model addresses the issues of labour mobility and the regulatory burden associated with licensees operating across jurisdictions, and would incur lower transitional costs than a national licensing system. It was therefore deemed appropriate to reconsider it in comparison with national licensing.

2.4.1 Existing Mutual Recognition Arrangements

Under existing mutual recognition processes, a licence holder who wishes to work in another jurisdiction must make an application, demonstrate that they hold a valid licence and pay an additional fee for an additional, 'equivalent' licence to be issued in the second jurisdiction. In some circumstances, conditions, restrictions or endorsements would need to be applied to the licence in the second jurisdiction to achieve licence equivalence. Work to achieve ministerial declarations of equivalence for the four initial occupational areas being considered for national licensing was undertaken over the period 2006–08 and details can be found at www.licencerecognition.gov.au. The *Mutual Recognition Act 1992* only relates to individual occupational licences and not to business entities that are not individuals.

2.4.2 Automatic mutual recognition – unharmonised approach

Under an automatic mutual recognition approach, the licence holder would automatically be allowed to perform the scope of licensed work authorised by their jurisdiction-based licence across all jurisdictions regulating that work, without applying for an additional licence or paying an additional fee. The regulated work and licence type would be whatever jurisdictions determine – it would not be harmonised or made consistent in any way. It would become the responsibility of the regulator and employers to understand the licensed work authorised by a licence issued by any jurisdiction as, unlike under existing mutual recognition arrangements, the licence would not be 'translated' into the regulatory terms of the jurisdiction of operation. In addition to the different types of standard licences, licensees with conditions or restrictions imposed for disciplinary reasons could move between jurisdictions and these variations may not be apparent from the licence card. It could therefore be expected that compliance monitoring would be substantially more difficult for regulators in this environment.

A licensee would need to ensure they did not carry out work for which they were not authorised. The differences in licence types and associated regulated work could raise the risk of licensees working outside their scope of work in second jurisdictions, potentially affecting consumer protection and health and safety.

This option is similar to the arrangements that apply to a driver's licence, where a licence in one jurisdiction entitles the bearer to drive anywhere in Australia. However, it should be noted that the standard automotive driver's licence arrangement works because the regulated work – driving – is essentially the same in all jurisdictions. The different historical approaches to plumbing and gasfitting licensing mean that the various types of regulated work are significantly more varied than driving.

The 2009 Decision RIS noted that, on examination, an unharmonised approach would not address issues of consistency or transparency, would increase the level of complexity for individuals and businesses (in understanding jurisdictional licensing and conduct differences) and has the potential to increase consumer confusion. It further noted that there are potentially perverse impacts on consumer protection outcomes by undermining the integrity of jurisdictional regulatory regimes and increasing the potential for jurisdiction shopping. It indicated that there was a significant risk that regulators would lose confidence in the arrangements over time.

Automatic mutual recognition – harmonised approach

To manage regulatory differences, jurisdictions could agree to harmonise some licensing requirements under this option, particularly those where equivalence is more easily determined, or based on updated ministerial declarations of equivalence or the work of national licensing.

A harmonised approach, in the absence of a national coordinating mechanism or body would, however, be extremely difficult to achieve, time-consuming and hard to maintain over time as there would be no process to resolve differing jurisdictional views. The cost of existing mutual recognition administration is low as there is no central governance, however the resultant minimal coordination and resourcing has led to a poor level of knowledge of the *Mutual Recognition Act 1992* amongst both regulators and licensees. The Productivity Commission recognised this issue and, in 2009, recommended the establishment of a specialist unit (funded by jurisdictions) to provide oversight of mutual recognition. It should be noted that a Commonwealth-funded taskforce set up in 2006 to improve the operations of mutual recognition procedures worked with states and territories until 2008 to reach a series of ministerial agreements on licence equivalence for a select number of occupations. The majority of these have not been updated since they were originally agreed.

Under both options, harmonised and unharmonised, state and territory autonomy would be maintained and transition and implementation costs would be minimised. However, jurisdictions would retain the legislative power to vary licensing requirements to meet circumstances arising in particular states over time. This would have the potential to undermine any agreed equivalency, increase complexity and create uncertainty in jurisdictions which had not issued the licence. Legislative change would be needed to the Mutual Recognition Act to allow recognition of business entities, and to jurisdictional legislation. Licence cards from different jurisdictions could contain different levels of information, causing uncertainty for consumers unless this was made more consistent. A national register of disciplinary actions would improve transparency for consumers and regulators alike, but would need to be agreed and established. Such a register would not provide the full national register of information provided for under the proposed national licensing register. A process would need to be developed surrounding who would provide, maintain and service it, and agreement would be needed on how it would be funded.

If harmonisation was introduced as a staged process, with clearly equivalent licences included first and others left outside the system, temporarily or perpetually, further confusion could be created. For licences where no equivalence had been agreed, current mutual recognition requirements would need to continue.

2.4.3 Consultation

It is not possible to fully quantify the level of support for automatic mutual recognition. Although approximately 50 per cent of respondents indicated that they supported mutual recognition only, the most frequently given reasons were that they did not want to change their existing licence

structure and scope of work and they feared that national licensing would increase regulation. A large number of submissions used support for automatic mutual recognition or other options as a bargaining approach, that is, while they supported the 'concept of national licensing', they would support these alternative options if a certain national licensing option was selected or the national licensing proposal did not include a particular feature they supported. Submissions from most peak organisations used this approach. A very large number of submissions (over 50%) originated in Victoria and supported automatic mutual recognition, their opposition to national licensing arising from the non-inclusion of certain licence categories or scopes of work currently licensed in that jurisdiction. There was little consideration in the submissions as to how automatic mutual recognition was likely to work. Reasons given for supporting automatic mutual recognition often indicated that it would be easier to implement than national licensing. National Licensing was the option supported in approximately 46 per cent of submissions, with the three tier option favoured. The majority of peak bodies providing submissions indicated a preference for national licensing, provided that the three tier model was adopted. The submission from the Institute of Plumbing Australia Inc. indicated it did not agree with automatic mutual recognition in its presented format *'because to include the necessary ... checks and balances you end up with a defacto national licensing scheme without the benefits of full national licensing ...'*.

2.4.4 Conclusion

It was considered that, under the automatic mutual recognition model, there was a greater likelihood of resistance to reforms and fewer opportunities to streamline and rationalise licensing frameworks, compared with a single national system. Difficulties are envisaged in maintaining consistency in legislative provisions without a common legislative basis. While the governance costs arising from automatic mutual recognition are less visible than those from national licensing, they are still present; and that they are less transparent does not mean they can be avoided in any effective system. It is noted that costs would still be incurred in relation to policy development and legislative changes.

Compared with national licensing, automatic mutual recognition also has the potential to provide for enhanced labour mobility, but with lower immediate transition costs. However, the complexities of operating such a system mean that implementation would be extremely complex and would require close cooperation and coordination at all levels of policy development, regulation setting and compliance. Automatic mutual recognition would give rise to a more complex, less transparent and more high-risk environment, with far less opportunity for reduced regulation and a reduced prospect for the longevity of the reform over time. Automatic mutual recognition is therefore not the preferred option.

3 National licensing – overview of preferred option

This chapter provides an overview of the key elements of the preferred option, followed by the rationale for the preferred approach to each element, including relevant consultation feedback.

During the development of the national licence model for the plumbing and gasfitting occupations a risk-based approach was taken based on identified consumer and health and safety risks associated with plumbing and gasfitting work. An overview of these risks can be found at Attachment D. COAG's best practice regulation principles were also considered.

3.1 Preferred option -Three tier, sub-option 2 - overview

The option preferred is the three tier, sub-option 2 and the draft Amendment Bill and regulations accompanying this RIS are being prepared based on this option. This option is supported by the National Occupational Licensing Authority (NOLA). The key features of this option follow. A comparison of these features compared with current licensing arrangements in each jurisdiction is provided at Attachment E.

3.1.1 Proposed categories of regulated work

A category of licence identifies the key type of work able to be undertaken and is linked to a scope of work, which describes the extent of work authorised under the category.

It is proposed that the following categories of plumbing and gasfitting work will be available:

- plumbing work
- drainage work
- general gasfitting work
- gasfitter Type B appliance work
- fire protection work
- mechanical services work
- restricted plumber (disconnect/reconnect) work
- restricted plumber (urban irrigation) work (not proposed in the Consultation RIS but included following stakeholder responses)
- restricted fire protection (inspecting and testing) work (not proposed in the Consultation RIS but included following stakeholder responses).

National Training Package qualifications form the basis of qualification requirements for the majority of national licences. It should be noted that the national training package for plumbing, the CPC32411 Certificate III in Plumbing, is based on delivering a broad range of skills in a minimum of four of the plumbing and gasfitting categories. As this qualification requires both water plumbing and sanitary plumbing as mandatory streams, it is proposed that these would be issued as a single

licence category. Accordingly, on completion of the Certificate III in Plumbing, a person will have the qualifications to be eligible for at least three of the main registration categories listed, although they may choose to specialise on completion.

Each full licence level may be held by the following types of licence holder:

- *Contractor licence*: the licence holder is authorised to contract to do the regulated work.
- *Full licence*: the licence holder is able to perform work unsupervised and is able to sign off on the technical compliance, but cannot contract with the public.
- *Tradesperson registration*: the registration holder must be supervised to undertake work, cannot sign off on the technical compliance and cannot contract with the public.

This model reflects the current approach in the majority of jurisdictions.

3.1.2 The proposed national licensing categories across the jurisdictions

The proposed national licensing arrangements across the jurisdictions are shown in Table 3.1. The shaded area denotes that national licensing will occur in that jurisdiction for the occupational categories. The table does not differ in any substantial way from the current licensing arrangements across the jurisdictions.

It should be noted that under national licensing, jurisdictions that currently do not regulate a particular category of an occupational area would not be required to issue licences for that category (i.e. the jurisdiction could choose for that category to remain unlicensed in that jurisdiction).

Table 3.1: Proposed national licensing arrangements across jurisdictions

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT
(Full) licence								
Plumber licence (water and sanitary)	✓	✓	✓	✓	✓	✓	✓	✓
Drainer licence	✓	✓	✓	✓	✓	✓	✓	✓
General gasfitter licence	✓	✓	✓	✓	✓	✓	✓	✓
Gasfitter Type B licence	✓	✓	✓	✓	✓	✓	✓	✓
Fire protection licence	✓	✓	✓	✓			a	
Mechanical services licence		✓	b			✓		
Plumber – tradesperson registration (water and sanitary)	✓	✓	✓	✓	✓	✓	✓	✓
Drainer licence – tradesperson registration	✓	✓	✓	✓	✓	✓	✓	✓
General gasfitter licence – tradesperson registration	✓	✓	✓	✓	✓	✓	✓	✓
Fire protection licence – tradesperson registration	✓	✓	✓				a	
Mechanical services licence – tradesperson registration		✓				✓		
Endorsements								
Commissioning and maintenance of thermostatic mixing valves		✓	✓			✓		✓
Commissioning and maintenance of backflow prevention devices		✓	✓	✓		✓		✓
Restricted licences								
Plumber – (disconnect/reconnect) hot water heaters work	✓	✓	✓	✓	✓			
Plumber – urban irrigation work	✓	✓	c					
Fire protection (inspecting and testing of fire equipment and systems) work	a	a	✓				a	
Provisional licences								
Plumber water and sanitary – provisional	✓	✓	✓	✓	✓	✓	✓	✓
Drainer – provisional	✓	✓	✓	✓	✓	✓	✓	✓
General gasfitter – provisional	✓	✓	✓	✓	✓	✓	✓	✓
Contractor								
Contractor	✓	d ✓	✓	d ✓	d ✓	✓	✓	d ✓

^a New South Wales, Victoria and the Australian Capital Territory issue broader forms of restricted fire equipment licences. Under the terms of the Intergovernmental Agreement, April 2009, these jurisdictions may choose whether to license or not license this work.

^b Queensland licenses mechanical services work as a contractor level only. Under the terms of the Intergovernmental Agreement, April 2009, Queensland may choose whether to license or not license this work.

^c Under the terms of the Intergovernmental Agreement, April 2009, Queensland may choose whether to license or not license this work.

^d Currently no separate contractor licence issued, with the exception in South Australia of a body corporate, which may be issued a plumbing licence (without limitation) or a gasfitting licence (without limitation) or both (without limitation).

3.1.3 Proposed regulated work

Regulated work means work that may be carried out only by a person licensed to carry out that work (i.e. the type of work authorised under that licence). For example, a contractor is licensed to contract for the work and a full licensee or tradesperson registration holder can undertake the prescribed regulated work. The policy description of the regulated work proposed for the various licence categories is outlined in Table 3.2. There are some differences between the core regulated work and what is included in regulated work in some jurisdictions, for example ducting, which is regulated in Victoria and Queensland, is not proposed for inclusion in national licensing.

Table 3.2: Policy description of the proposed regulated work for the plumbing and gasfitting occupations

Category	Policy description of proposed regulated work
Plumbing work	<p>Plumbing work means sanitary plumbing work or water plumbing work.</p> <p><i>Sanitary plumbing work</i> means installing, replacing, repairing, altering, maintaining, commissioning or testing a sanitary plumbing system.</p> <p>Sanitary plumbing work <i>does not include</i> incidental work related to, and reasonably necessary for undertaking, the work referred to above or the inspection, cleaning or clearing of a sanitary plumbing system without altering existing sanitary plumbing fixtures.</p> <p>Water plumbing work means:</p> <p style="padding-left: 40px;">installing, replacing, repairing, altering, maintaining, commissioning or testing a water service, including installing a backflow prevention device or thermostatic mixing valve or constructing or installing a fire hydrant or hose reel installation.</p> <p>Water plumbing work <i>does not include</i> the following:</p> <ul style="list-style-type: none"> • backflow prevention work • thermostatic mixing valve work • incidental work related to, and reasonably necessary for undertaking, the work referred to above • replacing a jumper valve or washer in a tap • changing a shower head or replacing tap ware • installing a water-restricting or flow-regulating device to a tap or fitting (including a showerhead) • connecting hoses from appliances such as dishwashers and clothes washing machines to taps • connecting an irrigation system or other device to a hose or tap for watering a garden or other irrigation purposes • replacing a domestic water filter cartridge.

Category	Policy description of proposed regulated work
Drainage work	<p>Installing, replacing, repairing, altering, maintaining, commissioning or testing a sanitary drainage system.</p> <ul style="list-style-type: none"> • Drainage work does not include: • Incidental work related to, and reasonably necessary for undertaking, the work described above, for example the excavation or backfilling of trenches or other unskilled work. • Inspecting (for example using closed circuit television), cleaning or clearing a sanitary drainage system using existing inspection openings or removable grates • Cleaning or maintaining ground level grates to traps that form part of a sanitary drainage system • Replacing caps to a ground level inspection opening that forms part of a sanitary drainage system
General gasfitting work	<p>Installing, replacing, repairing, altering, servicing, commissioning or testing:</p> <ul style="list-style-type: none"> • any part of a gas system that is: <ul style="list-style-type: none"> – involved with the supply of or use of gas up to a maximum pressure of 200kPa – fitted downstream of the gas supply point • the connection between a gas cylinder or tank and the first stage regulator • a Type A gas appliance. <p>General gasfitting work <i>does not include</i>:</p> <ul style="list-style-type: none"> • testing for leaks using a soapy solution when replacing a gas cylinder • connecting or disconnecting a gas cylinder to remove, fill or refill the cylinder.
Gasfitter Type B appliance work	<p>Installing, replacing, repairing, altering, adjusting, servicing, testing or commissioning:</p> <ul style="list-style-type: none"> • a Type B gas appliance downstream of the appliance’s manual shut-off valve • the manual shut-off valve of a Type B gas appliance. <p>Installing a Type B gas appliance includes installing the flue and ventilation of the appliance.</p> <p>Type B gas appliance work <i>does not include</i> servicing a stationary engine that is a Type B gas appliance if:</p> <ul style="list-style-type: none"> • the fuel supply is turned off at an isolation valve • the work does not include any work on the fuel supply to the engine.
Fire protection work	<p>Installing, replacing, repairing, altering, maintaining, commissioning or inspecting and testing a fire protection service that is connected to a water service.</p> <p>Fire protection work <i>does not include</i> incidental work related to, and reasonably necessary for undertaking, the work described above.</p>

Category	Policy description of proposed regulated work
Mechanical services work	<p>Installing, replacing, repairing, altering, maintaining, commissioning or testing a mechanical services system; and</p> <ul style="list-style-type: none"> • in relation to a cooling tower, includes installing, replacing, repairing, altering, maintaining or testing a water pipe, valve, pump, automated dosing device, automated bleeding device or any other mechanical component that affects the cooling tower's cooling water flow rate or disposal of waste water from the cooling tower. <p>Mechanical services work <i>does not include</i>:</p> <ul style="list-style-type: none"> • incidental work related to and reasonably necessary for undertaking the work referred to above; or • work related to the treatment of water used in a cooling tower • work on the cooling tower drift eliminator • work on refrigeration and air-conditioning equipment • the connection or disconnection of a mechanical services system from a water supply, other than the disconnection of the system from a water supply at an isolating valve adjacent to a mechanical component of the system • work on ducts.
Restricted plumber – (disconnect/reconnect) work	<p>Disconnecting, removing, or replacing a residential hot water heater including connecting or replacing any of the following unions or valves with a union or valve of the same or similar type:</p> <ul style="list-style-type: none"> • a compression union • a temperature/pressure relief valve • an expansion control valve. <p>Disconnect/reconnect work <i>does not include</i> the work referred to above if:</p> <ul style="list-style-type: none"> • the work involves a change to the existing pipes or valves for the hot water heater • the work involves the use of a flexible hose connection.
Restricted plumber (urban irrigation) work	<p>Installing, replacing, repairing, altering, maintaining, testing or commissioning any part of an irrigation system that is permanently connected to a water service.</p> <p>This restricted scope of work does not include:</p> <ul style="list-style-type: none"> • installing, altering, repairing, maintaining, commissioning or disconnecting a testable backflow prevention device; or • Connecting an irrigation system to a hose or tap for watering a garden or other irrigation purposes. <p>(It should be noted that the definition of water service does not include pipe work or equipment used for the supply of non-drinking water for agricultural or irrigation purposes unless the water is supplied by a network utility operator or other water provider. See Attachment F: Regulated work: Definition of terms).</p>
Restricted fire protection (inspecting/testing) work	<p>Inspecting and testing a fire protection service that is connected to a water service.</p>
Thermostatic mixing valve work	<p>Commissioning and maintaining thermostatic mixing valves.</p>
Backflow prevention work	<p>Maintaining and commissioning backflow prevention devices.</p>

For a definition of the terms used in the proposed regulated work, see Attachment F.

3.1.4 Endorsements

In addition to the broad categories of work outlined above, a need was identified for endorsements that will allow a person to take on an additional scope of work. Endorsements are dependent on a person holding an existing licence and are not intended as a stand-alone authorisation.

Endorsements require additional training to allow the person with the licence endorsement to carry out the additional work. A full discussion of endorsements considered for inclusion can be found at 3.2.3.

The following endorsements are proposed and would apply to both the (full) licence and tradesperson registration levels:

- commissioning and maintaining thermostatic mixing valves
- commissioning and maintaining backflow prevention devices

3.1.5 Nominees

The National Law provides that when a body corporate, a person in their capacity as a member of a partnership, or an individual who does not hold the relevant licence to carry out work, applies for a contractor licence, they will be required to nominate a nominee. The nominee will be an individual licensee who holds the appropriate (full) licence related to the category of contractor licence, for example, a nominee for a drainer contractor must hold a (full) drainer's licence. This requirement addresses the issue of a company, in itself, being unable to possess skills and expertise. The proposal is that a nominee should:

- be a director or an employee who holds an active work licence in the same category as the contractor's licence
- agree to hold the responsibility of nominee (as set out in the relevant jurisdictional conduct legislation).
- Some jurisdictions do not currently require nominees for the plumbing and gasfitting occupations. As an example, South Australia has indicated that the introduction of nominees for would create a regulatory burden for businesses. Following discussion between jurisdictions, it has been proposed that sub-contractors will also be able to be nominees if a jurisdiction so chooses., In jurisdictions where this occurs, a contractor that has only a sub-contractor nominee, and not a nominee who is a director or employee, will be unable to contract for work outside of the jurisdiction in which their principal place of business is located.

It is proposed that a contractor can only contract for the regulated work that is applicable to the licence held by the licensed nominee.

3.1.6 Exemptions

The National Law makes it an offence for an individual or a body corporate to undertake regulated work unless that individual or body corporate holds a licence or is exempt.

Under amendments proposed to the National Law, a *person* must not carry out regulated work unless licensed or exempt (as per paragraphs (b) and (c) below). In addition, a licensee must not engage another person to carry out regulated work unless they are licensed or exempt, noting that regulated work includes contracting for regulated work. The proposal is that in order for an individual to carry out the regulated work, the individual:

- a) holds a licence to carry out or contract for the regulated work; or

- b) is exempt under the national law from the requirement to hold a prescribed licence to carry out the regulated work (e.g. a building licence); or
- c) is exempted by NOLA, in accordance with the national law, from the requirement to hold a licence to carry out the regulated work.

Table 3.3 shows the classes of persons identified by the policy development process who should be exempt from the requirement to hold a licence to carry out regulated work.

Table 3.3: Proposed exemptions

Exemption	Exempt from licence category
A person who, in the person's capacity as an employee or contractor of a plumbing entity is carrying out regulated work on the entity's plumbing infrastructure.	All
An individual who is carrying out the regulated work under a contract of employment and training, or as a student undertaking competency-based training or assessment, for the purpose of gaining qualifications necessary for obtaining a licence and who is under the supervision of an individual who is licensed to carry out the regulated work without supervision.	All except a contractor
A person who is the holder of a prescribed authority (by whatever name called) and who, as part of carrying on business under that authority, contracts, for the provision of that regulated work other than under a contract of employment, with another person licensed to carry out that work.	Contractor
A person who is carrying out regulated work that is type B gas appliance work, if a law of a participating jurisdiction declares that an exemption applies to this person.	All

3.1.7 Limited exemptions

The National Law provides that the Licensing Authority may exempt certain persons from the requirement to hold a licence to carry out the regulated work, in accordance with national regulations. The proposed plumbing and gasfitting regulations will allow NOLA to exempt individuals or classes of individuals in remote localities from the requirement to hold a plumber's licence or a drainer's licence if it is appropriate to do so because of the type of regulated work that is to be carried out and the remoteness of the place where the work is to be carried out. NOLA may also impose reasonable conditions it considers appropriate. NOLA may also issue guidelines about matters it will consider when deciding to grant such an exemption.

3.1.8 Non-skills-based eligibility requirements

Regulatory regimes develop criteria to determine an applicant's or licensee's suitability to hold a licence in specific occupations. These criteria are designed to minimise risks associated with matters such as incompetent work, public and personal safety and risks to property and money held in trust. Risks associated with plumbing and gasfitting work are provided at Attachment D.

The issue or renewal of a licence is premised on reducing these risks by requiring the applicant to meet specific eligibility requirements. For example, an applicant or licensee may be assessed against personal or financial probity conditions, age or health and fitness requirements. The National Law provides for the non-skills-based eligibility criteria that include personal and financial probity requirements.

3.1.9 Relevant person

The National Law, and the proposed Amendment Bill for the National Law, provide for the identification of a relevant person(s) for a body corporate or a person who is a member of a partnership, and that they will be subject to personal and financial probity checks. This aims to prevent a person from hiding behind a corporate structure, for example, where an individual has been banned from undertaking work in a licensed occupation and endeavours to use a corporate structure as a front to continue operating in the industry.

It is proposed that relevant persons for the plumbing and gasfitting occupations are each director of a body corporate (as defined in the *Corporations Act 2001*) or each person in a partnership, including any other individual who is in effective control of the business. A person in effective control of the business is someone who is regularly or usually in charge of the business, or in a position to control or influence how the business is managed in a substantial way.

3.1.10 Proposed personal probity eligibility requirements

The National Law, and the Amendment Bill for the National Law, provides for the personal probity requirements that will apply to individual occupational licensees and contractor licenses. For occupational licensees, the personal probity requirements for plumbing and gasfitting will be whether the person or a relevant person for the person has within the previous 5 years been convicted of an offence under sections 9, 10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to sections 9, 10 or 11. For contractor licensees (which includes a relevant person for a body corporate or a partnership), it is proposed that the personal probity requirements for plumbing and gasfitting occupations are:

- matters relating to the criminal history of the person
- matters relating to the conduct of persons in carrying out business, including, for example, matters relating to duties as a director of a corporation or the imposition of civil penalties or orders in relation to carrying out business
- whether the person or a relevant person for the person has within the previous 5 years been convicted of an offence under sections 9, 10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to sections 9, 10 or 11.

NOLA will need to develop guidelines to ensure consistent application of probity requirements. *Personal probity requirements are shown in Tables 3.4 and 3.5.*

Table 3.4: Personal probity requirements for applicants

Type of applicant	Role	Personal probity requirement
Individual or body corporate	Contractor	<p>Licensing Authority must have regard to:</p> <p>Matters relating to criminal history, including:</p> <ul style="list-style-type: none"> • offences relating to dishonesty • offences relating to misleading or deceptive conduct • offences relating to a person’s obligations under a law relating to occupational health and safety. <p>Matters relating to carrying out regulated work; engaging others to carry out regulated work, or advertising or offering to carry out regulated work unless the person carrying out the work is licensed or exempt including:</p> <ul style="list-style-type: none"> • within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law <p>Matters relating to business conduct. This means any action taken against a person under the <i>Corporations Act 2001</i> in relation to the following:</p> <ul style="list-style-type: none"> • failure to exercise powers with care and diligence • failure to exercise powers in good faith and for a proper purpose • misuse of position to gain advantage or cause detriment to a company • misuse of information obtained by virtue of the person’s position to gain advantage or to cause detriment to a company • breach of the procedures under that Act when giving a financial benefit to a related party of a company • failure to comply with financial reporting requirements under that Act • breach of the duty not to trade insolvent.
Individual	Employee/Occupational	<p>Licensing Authority must have regard to:</p> <ul style="list-style-type: none"> • whether the individual has, within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law

Table 3.5: Personal probity requirements for other persons

Type of applicant	Other person who is required to have a personal probity check	Personal probity requirement
Body corporate applying for a contractor’s licence	Relevant persons for a body corporate	<p>Licensing Authority must have regard to:</p> <p>Matters relating to criminal history, including:</p> <ul style="list-style-type: none"> • offences relating to dishonesty • offences relating to misleading or deceptive conduct • offences relating to a person’s obligations under a law relating to occupational health and safety. <p>Matters relating to carrying out regulated work; engaging others to carry out regulated work, or advertising or offering to carry out</p>

		<p>regulated work unless the person carrying out the work is licensed or exempt including:</p> <ul style="list-style-type: none"> • within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law <p>Matters relating to business conduct. This means any action taken against a person under the <i>Corporations Act 2001</i> in relation to the following:</p> <ul style="list-style-type: none"> • failure to exercise powers with care and diligence • failure to exercise powers in good faith and for a proper purpose • misuse of position to gain advantage or cause detriment to a company • misuse of information obtained by virtue of the person’s position to gain advantage or to cause detriment to a company • breach of the procedures under that Act when giving a financial benefit to a related party of a company • failure to comply with financial reporting requirements under that Act • breach of the duty not to trade insolvent.
<p>Individual or body corporate who is a member of a partnership</p>	<p>Relevant person for a partnership</p>	<p>Licensing Authority must have regard to:</p> <p>Matters relating to criminal history, including:</p> <ul style="list-style-type: none"> • offences relating to dishonesty • offences relating to misleading or deceptive conduct • offences relating to a person’s obligations under a law relating to occupational health and safety. <p>Matters relating to carrying out regulated work; engaging others to carry out regulated work, or advertising or offering to carry out regulated work unless the person carrying out the work is licensed or exempt including:</p> <ul style="list-style-type: none"> • within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law <p>Matters relating to business conduct. This means any action taken against a person under the <i>Corporations Act 2001</i> in relation to the following:</p> <ul style="list-style-type: none"> • failure to exercise powers with care and diligence • failure to exercise powers in good faith and for a proper purpose • misuse of position to gain advantage or cause detriment to a company • misuse of information obtained by virtue of the person’s position to gain advantage or to cause detriment to a company • breach of the procedures under that Act when giving a financial benefit to a related party of a company • failure to comply with financial reporting requirements under that Act • breach of the duty not to trade insolvent.

3.1.11 Proposed financial probity requirements

Financial probity eligibility requirements aim to ascertain whether the financial integrity of the applicant is such that the risk of consumers dealing with the licensed person is minimised. One of the

aims of licensing business entities (contractors) is to protect consumers from those who have been involved in the mismanagement of business.

The financial probity requirements proposed for each type of applicant and licence category are shown in Tables 3.6 and 3.7.

Table 3.6: Financial probity requirements

Type of applicant	Role (or licence category)	Financial probity requirement
Individual	Licensee	Licensing Authority must have regard to whether the individual has failed to pay a penalty, fine or other amount required to be paid under the national law or a prescribed law.
Individuals Person acting in the person's capacity as a member of a partnership Body corporate	Contractor	Licensing Authority must have regard to: <ul style="list-style-type: none"> • whether the person is bankrupt, insolvent, has compounded with creditors, entered into a compromise or scheme of arrangement with creditors or otherwise applied to take the benefit of any law for the relief of bankrupt or insolvent debtors. • whether the person has within the last five years been a relevant person for another person who, during that five-year period was bankrupt, insolvent, compounded with creditors, or entered into a compromise or scheme of arrangement with creditors or otherwise applied to take the benefit of any law for the relief of bankrupt or insolvent debtors. • whether, for a person that is a body corporate or a member of a partnership, a relevant person for the body corporate or member is bankrupt, insolvent, has compounded with creditors, entered into a compromise or scheme of arrangement with creditors or otherwise applied to take benefit of any law for the relief of bankrupt or insolvent debtors. • whether the person has failed to pay a penalty, fine or other amount ordered by a court or tribunal in relation to the occupation.

Table 3.7: Financial probity requirements for other persons

Type of applicant	Other person who is required to have a financial probity check	Financial probity requirement
Body corporate applying for a contractor's licence Individual or body corporate who is a member of a partnership	Relevant person for a body corporate or partnership	Licensing Authority must have regard to: <ul style="list-style-type: none"> whether a relevant person is bankrupt, insolvent, has compounded with creditors, entered into a compromise or scheme of arrangement with creditors or otherwise applied to take benefit of any law for the relief of bankrupt or insolvent debtors.

3.1.12 Qualification-based eligibility requirements

The National Law specifies the qualifications and/or units of competency required for the issue of a licence. The aim of eligibility requirements based on qualifications is to protect consumers from engaging practitioners who may deliver substandard service due to failure to reach a minimum standard of competence.

Under the preferred option, the qualifications for a tradesperson registration and for a full licence in each category are shown in Tables 3.7 and 3.8. Note that, as is current practice, a full apprenticeship leading to a Certificate III qualification would be considered the standard pathway to a licence at the registered tradesperson level.

A contractor will not be required to hold a skills qualification to contract but would need either to hold the relevant licence (if a natural person) or have a nominee with the relevant licence to undertake the work. This is to ensure that the contracting company has at least one person with the licence required to carry out the work to the appropriate standard.

Table 3.7 Tradesperson registration

Licence category	Qualification
Plumber tradesperson's registration	Completion of CPC32412 Certificate III in Plumbing OR CPC32512 Certificate III in Plumbing (Mechanical Services)
Drainer tradesperson's registration	Completion of CPC32412 Certificate III in Plumbing including the drainage stream and the unit of competency <i>CPCPSN3025A Install pre-treatment facilities</i> OR CPC20712 Certificate II in Drainage including the following units of competency: CPCPSN3025A Install pre-treatment facilities; and CPCPDR3021A Plan layout of a residential sanitary drainage system
General gasfitter tradesperson's registration	Completion of CPC32712 Certificate III in Gas Fitting including the follow elective units of competency: <ul style="list-style-type: none"> CPCPCM2049A Cut using oxy-LPG-acetylene equipment CPCPCM3022A Weld polyethylene and polypropylene pipes using fusion method CPCPCM3023A Fabricate and install non-ferrous pressure piping OR CPC32412 Certificate III in Plumbing including the gas services stream and the following elective units of competency: <ul style="list-style-type: none"> CPCPCM2049A Cut using oxy-LPG-acetylene equipment CPCPGS3052A Maintain Type A gas appliances

Fire protection tradesperson's registration	Completion of CPC32812 Certificate III in Fire Protection
Mechanical services tradesperson's registration	CPC32512 Certificate III in Plumbing (Mechanical Services) including the sanitary stream OR CPC32412 Certificate III in Plumbing including the mechanical services stream

Table 3.8: (Full) licence level

Licence category	Qualification
Plumber	<p>Hold a plumber tradesperson registration OR completion of either CPC32412 Certificate III in Plumbing OR CPC32512 Certificate III in Plumbing (Mechanical Services)</p> <p>PLUS</p> <p>Completion of the following units of competency from CPC40912 Certificate IV in Plumbing Services:</p> <p>Common compulsory units:</p> <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work <p><i>Plumbing and services – Operations stream elective</i></p> <ul style="list-style-type: none"> • CPCPWT4011B Design and size heated and cold water services and systems • CPCPSN4011B Design and size sanitary plumbing systems
Drainer	<p>Hold a drainer tradesperson registration OR completion of either CPC32412 Certificate III in Plumbing including the drainage stream and the unit of competency <i>CPCPSN3025A Install pre-treatment facilities</i> OR CPC20712 Certificate II in Drainage including the following units of competency:</p> <ul style="list-style-type: none"> • CPCPSN3025A Install pre-treatment facilities; and • CPCPDR3021A Plan layout of a residential sanitary drainage system <p>PLUS</p> <p>Completion of the following units of competency from CPC40912 Certificate IV in Plumbing and Services:</p> <p>Common compulsory units:</p> <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work <p><i>Plumbing and services – Operations stream core</i></p> <ul style="list-style-type: none"> • CPCPDR4011B Design and size sanitary drainage systems • CPCPDR4013B Design and size domestic treatment plant disposal systems

Licence category	Qualification
General gasfitter	<p>Hold a general gasfitter tradesperson registration or completion of CPC32712 Certificate III in Gas Fitting including the follow elective units of competency:</p> <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPCM3022A Weld polyethylene and polypropylene pipes using fusion method • CPCPCM3023A Fabricate and install non-ferrous pressure piping <p>OR</p> <p>CPC32412 Certificate III in Plumbing including the gas services stream and the following elective units of competency:</p> <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPGS3052A Maintain Type A gas appliances <p>PLUS</p> <p>Completion of the following units of competency from CPC40912 Certificate IV in Plumbing and Services:</p> <p><i>Common compulsory units:</i></p> <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work <p><i>Plumbing and services – Operations stream electives:</i></p> <ul style="list-style-type: none"> • CPCPGS4011B Design and size consumer gas installations • CPCPGS4022A Service Type A gas appliances
Gasfitter type B appliances	<p>Hold a licence as a General gasfitter or the qualifications required to obtain a General gasfitter licence</p> <p>PLUS</p> <p>Completion of the unit of competency CPCPGS4023A Install, commission and service Type B gas appliances</p>
Fire protection	<p>Hold a fire protection work tradesperson registration or completion of CPC32812 Certificate III in Fire Protection</p> <p>PLUS</p> <p>Completion of the following units of competency from CPC40911 Certificate IV in Plumbing and Services:</p> <p><i>Common compulsory units:</i></p> <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work
Mechanical services	<p>CPC32512 Certificate III in Plumbing (Mechanical Services) including the sanitary stream</p> <p>OR</p> <p>CPC32412 Certificate III in Plumbing including the mechanical services stream</p> <p>OR</p> <p>a mechanical services tradesperson registration</p> <p>PLUS</p> <p>Completion of the following units of competency from CPC40912 Certificate IV in Plumbing and Services:</p> <ul style="list-style-type: none"> • CPCPMS4011B Design, size and layout heating and cooling systems • CPCPCM4011A Carry out work based risk control process • CPCPCM4012A Estimate and cost work

Licence category	Qualification
Restricted plumber – (disconnect/reconnect) work	<p>Completion of the following units of competency from CPC32412 Certificate III in Plumbing:</p> <ul style="list-style-type: none"> • CPCPCM2046A Use plumbing hand and power tools • CPCPWT3023A Install and commission water heating systems <p>PLUS</p> <p>the following units of competency from CPC40912 Certificate IV in Plumbing and Services:</p> <ul style="list-style-type: none"> • CPCPWT4023A Commission and maintain heated water temperature control devices
Restricted plumber – (urban irrigation) work	<p>Certificate II in Urban Irrigation CPC20912 including the follow elective units of competency:</p> <ul style="list-style-type: none"> • CPCPWT3027A Connect irrigation systems from drinking water supply • CPCPWT3025A Install water pump sets • CPCPWT3029A Install water pipe systems • CPCPWT3028A Install water service <p>OR</p> <p>Certificate III in Irrigation AHC32412 including the follow elective units of competency:</p> <ul style="list-style-type: none"> • CPCPWT3027A Connect irrigation systems from drinking water supply • AHCIRG309A Interpret and apply instructions to install pumps • AHCIRG311A Install low volume irrigation components • AHCIRG312A Install sprinkler irrigation components • AHCIRG315A Interpret irrigation plans and drawings • CPCPIG2021A Design domestic urban irrigation systems • CPCPCM2023A Carry out OHS requirements <p>OR</p> <p>Certificate III in Plumbing (CPC32412) including the following elective units of competency:</p> <ul style="list-style-type: none"> • CPCPWT3029A Install water pipe systems • CPCPIG2021A Design domestic urban irrigation systems • CPCPIG3021A Set out, install and commission irrigation systems • CPCPIG3022A Install and commission domestic irrigation pumps
Restricted fire protection – inspecting/ testing work	CPP20511 Certificate II in Fire Protection Inspection and Testing

Table 3.9: Endorsements

Licence category	Qualification
Plumber licence –thermostatic mixing valves	<p>Plumber licence plus:</p> <p>Completion of CPCPWT4023A Commission and maintain heated water temperature control devices from CPC40912 Certificate IV in Plumbing and Services</p>
Plumber licence –backflow prevention devices	<p>Plumber licence plus:</p> <p>Completion of <i>CPCPWT4022A Commission and maintain backflow prevention devices</i> from CPC40912 Certificate IV in Plumbing and Services</p>
Plumber tradespersons registration –thermostatic mixing valves	<p>Plumber tradespersons registration plus:</p> <p>Completion of CPCPWT4023A Commission and maintain heated water temperature control devices from CPC40912 Certificate IV in Plumbing and Services</p>

Licence category	Qualification
Plumber tradespersons registration –backflow prevention devices	Plumber tradespersons registration plus: Completion of <i>CPCPWT4022A Commission and maintain backflow prevention devices</i> from CPC40912 Certificate IV in Plumbing and Services

Table 3.10: Provisional licence level

Licence category	Qualification
Plumber – provisional (water and sanitary)	Offshore Technical Skills Record (OTSR) – a document issued by a registered training organisation after a successful assessment against either of: CPC32412 Certificate III in Plumbing OR CPC32512 Certificate III in Plumbing (Mechanical Services)
Drainer – provisional	Offshore Technical Skills Record (OTSR) – a document issued by a registered training organisation after a successful assessment against CPC32412 Certificate III in Plumbing including the drainage stream and the unit of competency <i>CPCPSN3025A Install pre-treatment facilities</i>
General gasfitter – provisional	Offshore Technical Skills Record (OTSR) – a document issued by a registered training organisation after a successful assessment against either of: CPC32712 Certificate III in Gas Fitting including the follow elective units of competency: <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPCM3022A Weld polyethylene and polypropylene pipes using fusion method • CPCPCM3023A Fabricate and install non-ferrous pressure piping OR CPC32412 Certificate III in Plumbing including the Gas Services Stream and the following elective units of competency: <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPGS3052A Maintain Type A gas appliances

Provisional licences

The Offshore Technical Skills Record (OTSR) – issued to overseas trained applicants who have been assessed as holding an appropriate level of competence to commence work in Australia – will allow such applicants to be eligible for an entry-level provisional licence in the relevant trade. The OTSR will detail the gap training that the successful applicant will need to undertake when they get to Australia in order to obtain registration as a tradesperson. The applicant will need to work under supervision and complete gap training within a specified time.

To provide consistency in approach, it is proposed that the licensing regime for plumbing and gasfitting occupations will also include provisional licences to deal with migrants who have their skills assessed onshore against the same qualification requirements.

3.1.13 Experience requirements

It is not proposed to include experience as an eligibility requirement in national licensing.

The Consultation RIS proposed that no additional requirement for a period of experience should be imposed as a licence eligibility requirement, following completion of an apprenticeship or in order to progress between the different levels of tradesperson registration, (full) licence and contractor.

3.1.14 Additional testing

It is proposed that no additional testing by regulators will apply to applicants who have obtained the appropriate qualification for a licence.

3.1.15 Skills maintenance (continuing professional development)

Skills maintenance (or continuing professional development) aims to manage consumer risk by providing licensees, who have general competence, with the means for responding to changes in practice and legislation and updates to standards and codes, to enrich their knowledge and skills and adopt new work practices. It is proposed that compulsory skills maintenance (professional development) not be required as part of the eligibility requirements under national licensing. When there is a specific education/information issue which may warrant a response from NOLA, it will work with the state and territory regulators to understand the issue and possible responses. The response could include strategies such as information provision, development of guidelines or one-off training requirements. The most appropriate option would be worked through with jurisdictions. There is agreement that ongoing CPD programs, including for example requirements for x hours CPD per year, would not be considered as part of this mechanism. The response would be aimed at achieving the desired outcome (i.e. greater awareness of the issue) with the minimal level of burden. In cases of imminent public health and safety risk, there are also mechanisms to ensure urgent action can be taken.

3.1.16 Licence period

The National Law proposes to provide that a licence for any licence type, except a provisional licence, may be granted for a period of one, three or five years, with the term to be selected by the licence applicant. Current licence periods range from one to five years across jurisdictions.

The Consultation RIS proposed that a three year licence period be offered, as this provided an average of the different licence types offered across jurisdictions. Subsequent evaluation of comments on the licence period has indicated that a more flexible approach would be more efficient for licensees and a range of licence terms is now proposed.

3.2 Rationale for proposed national licensing elements

3.2.1 Proposed categories of regulated work

Regulated plumbing and gasfitting work is usually identified by clearly stated licence categories, each relating to the different scope of plumbing and/or gasfitting work authorised. The categories of work currently regulated by each jurisdiction are identified at Attachment A. Broadly speaking, larger jurisdictions tend to have more categories of work, as the market provides more opportunity for specialisation. It is the difference in approach to the number, name and content of the categories offered in each jurisdiction that contributes to regulatory complexity and creates a barrier to licensed workers moving between jurisdictions.

The main categories recommended in this Decision RIS are predominantly those recommended in the Consultation RIS. They reflect the plumbing and gasfitting licence categories currently used by jurisdictions and which exist as separate training 'streams' in the plumbing and/or gasfitting national training packages, e.g. water and sanitary plumbing, draining and gasfitting. The case for licensing these main categories of work has been made in all jurisdictions over decades.

The number of separate categories proposed was based on the need to ensure flexibility for business in the range of skills held and to avoid unnecessary training costs for licensees if broader categories were required. A general category of 'well rounded' plumber encompassing water and sanitary plumbing, draining and gasfitting skills streams was considered; however, this model was not considered to be sufficiently flexible. Completion of the Certificate III in Plumbing will, in any case, entitle a person to obtain a tradesperson registration in at least three of the proposed licence categories.

Submissions commenting on the categories proposed were generally of two types – form submissions which totalled approximately 70 per cent of the total, and individual responses.

Generally, the large number of submissions received as part of form letter responses did not support the categories outlined, however further reading almost invariably indicated that this was due to a desire for the proposed system to include additional licence categories or work, currently regulated in a particular jurisdiction. For example, Victoria-based submissions often sought the inclusion in national licensing of medical gas work or ducting and the non-deferral of the consideration of stormwater and roof plumbing work. The Master Plumbers' Associations submitted variations on a standard submission which also sought the inclusion of medical gas, stormwater and roof plumbing, even where the activity was not currently regulated in the state of origin. Submissions originating in Queensland often sought inclusion of existing endorsements in that state for on-site sewerage maintenance and solar and heat pump hot water units work.

In the vast majority of cases, the comments did not, on the whole, indicate any disagreement with the categories proposed but rather concern regarding perceived omissions.

Of the individual responses, usually provided through the online survey instrument, the majority of those who responded agreed with all, or the greater number, of the categories proposed and a number of others indicated support for particular categories while providing no comment on others.

Two additional categories of restricted licence have been added to the categories originally proposed: urban irrigation and inspecting and testing a fire protection service. During the submission process, substantial arguments were presented by these specialist industry sectors in favour of the additional licences.

The specific rationale and discussion relating to the inclusion or exclusion of specific categories follows.

Full licences

Plumbing work (water and sanitary plumbing)

Water work and sanitary work are the core work activities for plumbing. As recommended in the Consultation RIS, water plumbing and sanitary plumbing work are combined into a single plumber licence as these streams are both mandatory in the national plumbing training package. While this combination was not proposed by the Interim Advisory Committee (IAC), it represents the status quo in New South Wales, Queensland, Western Australia, Tasmania and the Northern Territory and would appear to be an efficient approach to regulation. Very few submissions indicated any concern with this combination and it is recommended that it remain unchanged. There are no anticipated impacts compared with the status quo.

Drainage

Drainage work is work on sanitary drainage systems. Drainage is regulated in every jurisdiction, usually as a separate licence category. This category was proposed in the Consultation RIS and is part of the preferred option. The chief concerns presented regarding the drainage category related to the non-inclusion of stormwater drainage. Stormwater is not licensed as plumbing or drainage work in New South Wales, Queensland, Western Australia, South Australia, the Australian Capital Territory or the Northern Territory but is classified as building work. Only two jurisdictions, Victoria and Tasmania, regulate stormwater as part of plumbing or drainage work. At this time, it is proposed that existing arrangements for this area of work in Victoria and Tasmania be maintained. It is further proposed that this area of work be considered at the same time the building occupations' national licensing arrangements are being considered. It is clear from the number of submissions received on this topic that close consultation with plumbers and builders across the jurisdictions will be required in resolving this issue.

An exemption is included in the current national licensing proposals for an individual who is an employee or contractor of an entity responsible for the provision of water or sewerage or stormwater services, who is carrying out regulated work on the entity's infrastructure. Such entities are considered able to monitor the skills levels of their operative, it is highly unlikely that untrained persons would be allowed to work on infrastructure and there is no consumer relationship. Some jurisdictions, e.g. Victoria and South Australia, already have such an exemption. This issue is discussed further in the section on regulated work. There are minimal anticipated impacts from this proposal compared with the status quo.

General gasfitting

General gasfitting is work on type A gas appliances and work on a gas system supplying gas up to a pressure of 200kPa. General gasfitting is regulated in every jurisdiction. This category was proposed in the Consultation RIS and is part of the preferred option.

Of the small number of responses which expressed a particular opinion on this category, rather than a generic view on the categories, almost equal numbers supported and did not support it. Those not supporting this category generally indicated that there should be a separate licence for gas servicing work, while two did not support a registration level licence and one did not support a contractor licence for the work. (Note that restricted licences are discussed below.) Submission input from Energy Safe Victoria indicated a preference for Type A conversion work and Type A servicing work to remain as separate licence categories, as is currently the case in Victoria. Given the larger number of submissions which did not raise specific concerns with this category, and the lack of strong arguments for any change, it is recommended that the proposal remain unchanged. There are no anticipated impacts from including this category compared with the status quo. The case for gas servicing is discussed under 'Endorsements'.

Gasfitter Type B appliance work

Gasfitter Type B appliance work is work on gas appliances of identified types having a rated maximum hourly gas input rate more than 10MJ/h and less than 5000MJ/h (work over this limit will continue to be licensed and regulated under jurisdictional law). This type of gasfitting is regulated in every jurisdiction, although different approaches may be used. For example, in Victoria there are two Type B licences; and in Queensland work is carried out under an authorisation and those working under a company authorisation are not currently required to hold individual licences.

Queensland has indicated that these workers are likely to be transitioned into the national system, and issued with national licences. This category was proposed in the Consultation RIS and is part of the preferred option.

The policy development process originally proposed three categories of gasfitting licence, which included Type A, Type B and a specialised Type B category; this licence was proposed to cover non-standard installations. A sub-group of gas regulators concluded that it would be difficult to agree on a consistent scope of work for such a licence because the installations covered varied widely and relevant work was often authorised for a particular piece of equipment or a particular location. In addition, the category would apply to a relatively small number of people because of its specialist nature. It was proposed that such approvals were best undertaken through state jurisdictional authorisation schemes rather than through national licensing; therefore some gas Type B work will fall outside national licensing and will be covered under state and territory legislation.

Of the small number of responses which expressed a particular opinion on this category, rather than a generic view on the categories, almost equal numbers supported and did not support it. Those not supporting this category sometimes indicated that the scope of work did not reflect actual practice, however none of these provided any further explanation or proposal for revision. The Master Plumbers Association of WA and others sought the inclusion of a Type B Advanced Gasfitting licence while submission input from Energy Safe Victoria indicated a preference for the inclusion of both a Type B Advanced and a Type B Servicing category. Given the large number of submissions which did not raise specific concerns with this category, and the lack of strong arguments for any change, it is recommended that the proposal remain unchanged. The anticipated impacts from this proposal are minor compared with the status quo, given the small number of those affected, and have not been costed.

Fire protection work

Fire protection work is work associated with a fire protection service which is connected to a water service. Only three jurisdictions, New South Wales, Victoria and Queensland currently have a separate fire protection licence, although legislation in South Australia allows the issuing of a plumbing licence restricted to fire protection and the Australian Capital Territory has a single licence for fire sprinkler fitters only. Other jurisdictions regulate through building processes. Queensland has by far the most complicated framework of fire protection licensing, covering 25 separate fire protection occupational licences and 30 contractor licences in addition to endorsements and restrictions on a plumbing licence. In common with other plumbing licences, fire protection in Queensland is regulated under both the Plumbing Industry Council (for plumbing work only) and by the Queensland Building Services Authority (for work not exclusively plumbing). A fire protection licence category was supported by the IAC, proposed in the Consultation RIS and is part of the preferred option.

The risks of fire protection work arise from the potential for incorrect installation or maintenance of fire protection systems which can reduce their effectiveness. Possible consequences of poor system operation can range from injury or loss of life to property damage for those who own or use buildings with fire protection systems. No evidence was received to prove that licensing through plumbing regulation was more or less effective than licensing through building regulation: the different jurisdictional approaches have been developed historically. If fire protection were no longer licensed under plumbing work, it is probable that those jurisdictions would choose to introduce regulation through building licensing so there would not be a decrease in regulation.

A significant number of responses, including those from the peak fire associations and two of the largest fire protection specialist companies, did not support the fire protection category. In almost all cases, the reason given was that the broad, single category did not reflect the range and variety of current industry operations; and that the higher qualifications for entry to this category would create a barrier to entry for those who sought to undertake work in niche areas of the industry. The particular issue raised concerned the testing and inspecting of fire equipment which, submissions stated, did not require the breadth and depth of the 'wet' plumbing skills that would be required for a full licence. Having a single licence category would therefore have a negative impact on costs and availability of labour in the industry.

Of those not supporting this category, one indicated that fire protection 'should be a separate trade', others that plumbing should include all fire protection work or all 'wet' work such as sprinklers and hydrants, with inspecting and testing as a separate, specialist area. One submission stated 'The fire protection industry has different competencies and requires different skill sets'.

A restricted licence for inspecting and testing fire equipment has therefore been included in the categories available; further information may be found in the discussion of restricted licences. As no evidence-based arguments were provided for any changes, it is recommended that the proposal for the (full) fire protection licence remain unchanged. There are no anticipated impacts from the proposal for a full fire protection category compared with the status quo for most jurisdictions, as those jurisdictions not currently licensing this category will not need to introduce it. The regulatory implications for Queensland will be greater as fewer different fire protection categories will be available and licence holders would need to undertake a full Certificate III qualification to obtain a fire protection licence other than that for inspection and testing, however the proposal is consistent with current regulation in all other jurisdictions. There is no evidence that other jurisdictions currently experience increased risk compared with Queensland under their current practices.

Mechanical services

Mechanical services work is the mechanical heating, cooling or ventilation systems in a building. Mechanical services work is currently licensed under plumbing work in two jurisdictions, Victoria and Tasmania. Victoria provides an endorsement on a mechanical services licence for the licensee to undertake refrigeration and air-conditioning work. In Tasmania, the licence is concerned with the plumbing aspects of mechanical services work. Queensland is the only other jurisdiction to licence part of this work and it does this as part of a broader refrigeration and air-conditioning contractor licence. Other jurisdictions do not licence this work under either plumbing or refrigeration and air-conditioning. The Consultation RIS included a mechanical services category but canvassed the removal of the category as it is not licensed in most jurisdictions and there was an opportunity for deregulation and rationalisation of licence categories.

It is considered that licensing of mechanical services should be retained in those jurisdictions currently regulating it under plumbing work primarily because of the risks arising from poor indoor air quality or potential contamination of air-flow e.g. legionnaire's disease, where degraded plumbing materials, such as rubber fittings, may provide nutrients to enhance bacterial growth. In other jurisdictions which do not licence mechanical services work, these risks are addressed through health regulation rather than through licensing. Removal of mechanical services licensing in Victoria and Tasmania would increase the risk of poor air quality, the spread of air-borne diseases, such as legionnaires and the inefficient use of energy within buildings in these states, as other forms of regulation do not currently provide the same level of protection offered in other states. If

mechanical services licensing was removed, Victoria and Tasmania may need to introduce other forms of regulatory protection which would significantly undermine any benefit achieved. Queensland has indicated that it will consider the introduction of the licensing of mechanical services at the occupational level, if it is retained under national licensing.

A large majority of submissions, including those from Master Plumbers' Associations in six jurisdictions, supported the continued inclusion of the mechanical services category. Of the small number of those that did not support it, the majority came from jurisdictions where it was not currently licensed. One submission requested a clearer definition of the scope of work for this category but did not indicate an area of concern. Given the large number of submissions supporting this category, and the lack of strong arguments for any changes, it is recommended that the proposed arrangements remain unchanged. There are no anticipated impacts from this proposal compared with the status quo, as those jurisdictions not currently licensing this category will not be required to introduce it.

Restricted licences

Restricted plumber - disconnect/reconnect work

The Consultation RIS proposed a restricted licence for plumbing disconnect/reconnect work. This licence enables electricians and others to perform limited plumbing essential to disconnect, remove or replace a residential hot water heater including connecting or replacing any of the compression unions, temperature/pressure relief valves or an expansion control valve with a union or valve of the same or a similar type rather than have to hold a separate full plumbing licence. This would appear to be far more efficient than requiring an electrician to hold a full plumbing licence or to wait for a plumber to perform the disconnect/reconnect work associated with a particular job. In some jurisdictions, this work is covered under a restricted electrical licence. Five jurisdictions currently have a form of disconnect/reconnect licence. The Consultation RIS also sought feedback on whether the restricted plumber (disconnect/reconnect) licence should be expanded to allow connection/disconnection to potable water.

Over one hundred responses expressed an opinion specific to this category, with around 60 per cent of these supporting the restricted licence and almost half of these supporting the expansion of the licence to include connection/disconnection to potable water. Of these, just over 10 per cent in total sought to restrict availability to electricians only or to other licensed trades. A slightly larger percentage sought separate disconnect/reconnect licences for such workers as mechanics, electricians, sprinkler fitters or pump installers. The aim of proposing an expansion of the scope of this licence was to provide a category and pathway for those working in the urban irrigation sector. As a separate restricted licence for urban irrigation is now proposed, it is not necessary to alter the scope of the proposed restricted plumber (disconnect/reconnect) licence and it is recommended that the proposal remain unchanged. No evidence was provided to support the need to restrict the category to particular trades. There are no anticipated impacts from this proposal compared with the status quo, as those jurisdictions not currently licensing this category will not need to introduce it.

Urban irrigation

Urban irrigation work is a specialised field, focusing on the areas of hydraulics, pumps and irrigation sprinklers, for which the relevant units for plumbers are electives. The three most populous states, New South Wales, Victoria and Queensland, currently licence urban (non-agricultural) irrigation;

other jurisdictions view the work as that of a plumber, although exemptions may apply – for example, in South Australia *‘plumbing consisting of the installation, alteration, repair, maintenance or disconnection of a cold water pipe not exceeding 25 mm in diameter’* may be undertaken by a person without a licence, as can the installation, repair or disconnection of a non-testable backflow prevention device. The Consultation RIS proposed that the work not be regulated, as the IAC had identified no specific risks beyond the scope of work proposed for water plumbing. However the Committee did not include specific representation from the urban irrigation sector. It should be noted that some irrigation activities are exempted from the regulated work for plumbing under the existing proposals. The wording of the scope of work for plumbers would reserve irrigation work to plumbers and prevent those in the irrigation sector, who either have a restricted licence or no licence at all, from continuing to work.

It is therefore proposed to include urban (non-agricultural) irrigation in the list of proposed categories for national licensing. A large number of submissions (over 9 per cent of the total received for plumbing and gasfitting) were received from those working in the urban irrigation industry across the country, who pointed out the potentially negative impact on that industry of the current wording of the scope of regulated work for plumbers. It was noted that urban irrigation work was a specialised field, focusing on the areas of hydraulics, pumps and sprinklers, for which plumbers did not necessarily train, the relevant units of competency often being an elective in the training package. Furthermore, the hourly rate for a plumber exceeded that for those working in urban irrigation and they were less likely to wish to undertake irrigation work, rather than mainstream plumbing work. Responses from the irrigation/pump industries accounted for over 120 submissions nationally.

Requiring a full plumber to undertake work currently undertaken under a restricted irrigation licence would therefore have the unintended consequence of disrupting current sectoral work practices, increasing costs and reducing the number of those able to carry out the work.

New South Wales suggested that, to ensure that urban irrigation work could continue to be licensed, the proposed restricted plumber (disconnect/reconnect) licence category be expanded to enable a holder to disconnect and reconnect to a potable water supply. The existing disconnect/reconnect licence and its skills requirements relate to hot water, rather than cold water work, however, and the types of work are undertaken by different sectors.

Queensland proposed excluding all irrigation or other work *‘downstream of the point of discharge, an isolating valve, tap, hose, or backflow prevention device on the supply side for the irrigation system’*. This approach was not supported in the irrigation industry submissions, due to the risk of water contamination or water wastage if irrigation systems are not correctly installed.

No additional evidence was provided that plumbers should have this work reserved due to additional training or expertise that a plumber may exclusively possess. Under the proposal for this licence, the scope of work does not include installing or otherwise working on a testable backflow prevention device.

The original proposal to remove the restricted urban irrigation licence would provide an annualised ongoing benefit of \$0.21 million which will no longer apply under the revised proposal. While the original proposal would assist labour mobility, due to the greater licence consistency between jurisdictions, it would also disrupt sectoral work practices, increase costs and reduce the number of those able to carry out the work. As plumbers are not always specifically trained for the work, the

risk of water supply contamination and water wastage would be substantially increased. These negatives would almost certainly outweigh the benefits identified with removing this licence, as well as any gains from labour mobility.

This proposal therefore forms part of the preferred option.

Fire protection – inspect and test

Fire protection (inspect and test) work means inspecting or testing a fire protection service consisting of water pipes and fire fighting equipment. It does not include other work on a system or service connected to a water service, beyond inspect and test. Both Victoria and Queensland have a number of restricted fire protection licences covering work on these types of equipment and which include inspect and test activities. South Australia is able to issue a licence for a range of restricted fire protection activities and the Australian Capital Territory offers a separate licence for fire sprinkler fitters.

Inspect and test work is a specialised form of fire protection work which is separate to the ‘wet’ work of water plumbing and requires different skills. The Consultation RIS proposed a full fire protection licence only, plus an endorsement for fire hydrants and hose reels work. Advice from the fire protection industry has been that these arrangements are not sufficiently flexible as they would introduce an increased qualification requirement (Certificate III plus additional Certificate IV units of competency) when a Certificate II qualification in the specific area of inspect and test was sufficient training to carry out this work.

The Consultation RIS did not include a restricted licence for this work, but asked whether there was sufficient reason to include restricted plumbing licences for inspecting and testing fire hydrants and hose reels, fire pumps or sprinkler systems. Over 60 per cent of online survey responses supported this proposal, the majority of these indicating support for all these types of equipment to fall under a restricted licence. Submissions through means other than the online survey responses, while forming a larger proportion of total responses, were primarily of a form letter nature and very few responded to this issue. Separate responses were received, however, from large fire protection services companies such as Wormald which supported a separate licence for inspecting and testing of fire equipment, and from the Fire Protection Association of Australia and the National Fire Industry Association (NFIA), which supported the inspection and testing of fire systems. The fire protection companies and the NFIA sought separate restricted ‘inspect and test’ licences for each of fire sprinkler or wall drencher systems; fire hydrants; fire pumps and fire hose reels. The submission from one large fire protection company also sought separation of work on these types of equipment by activity, such as install and maintain and certify, in addition to inspect and test, which is the approach currently taken by Queensland.

Given industry support and rationale, the need to ensure flexible arrangements are in place for a specialised industry and the desirability of reflecting industry practice, it is proposed that a restricted licence for the inspection and testing of fire equipment is included in the list of categories. As the qualification suggested by both fire protection specialist companies for an inspect and test licence is the Certificate II in Fire Protection Inspection and Testing, it is proposed that a single restricted licence be included to cover work on the range of fire equipment available. The qualification is the same across all types of equipment therefore it is not deemed necessary to separate out the restricted licences by equipment type. It is not proposed to include additional restricted licences for the installation, maintenance or certification of such equipment, as the majority of jurisdictions do

not licence in this way and this work will remain the work of a Fire Protection full licence holder. It should be noted that this is a Certificate II level qualification in the Property Services training package and does not involve 'wet' plumbing work, such as sprinkler fitting, which requires training in plumbing.

It is difficult to cost the impact of this proposal as only Queensland has separate inspect and test licences under fire protection, and the other jurisdictions which have restricted licences include inspect and test work with other fire protection work, either on specific equipment or on fire systems generally. These other restricted licences are not proposed for inclusion. It is difficult to determine which jurisdictions would adopt the new inspect and test licence although it could be expected that those jurisdictions that currently have restricted licences including this scope of work would introduce it.

There are likely to be minimal impacts from the proposal to have a restricted licence for the inspection and testing of a fire system compared with the status quo, as those jurisdictions not currently licensing this category will not need to introduce it and those which introduce it are likely to have any additional costs offset by the removal of these other restricted categories. Additionally, this licence is included as it avoids the additional burden that would have been imposed on licence holders had the proposed approach outlined in the Consultation RIS been implemented.

Gas servicing

A discussion of the potential for inclusion of a gas servicing licence is included under the section on endorsements.

Contractor licence

A contractor is authorised to contract with others to carry out regulated work. Overall there are five jurisdictions which license contractors separately. These have indicated that contractor licensing is undertaken because of the need to manage the risk associated with a licensee contracting with a consumer. The licensing of contractors provides a mechanism for regulators to take action against a person or entity responsible for failing to meet contractual responsibilities, including completion to an acceptable standard. It enables the regulator to make a range of enquiries about the persons involved in the entities who will be dealing with the consumer. Furthermore the contractor licence concept enables appropriate rights and responsibilities to be shared between skilled, technically qualified workers that directly undertake regulated work and those who own and/or operate the trading entity but may not have the technical skills personally to undertake the regulated work. It allows regulators to close eligibility to those who may have exhibited inappropriate business behaviour such as placing a business into bankruptcy. It also provides a mechanism for dealing with phoenix companies. Separate contractor licensing provides flexibility for business arrangements where the contractor does not possess the technical skills to undertake work and wishes to manage the business arrangements only.

Although there is no clear, quantifiable evidence of greater risk in those jurisdictions which do not offer a separate contractor licence, that five jurisdictions have independently concluded a need for licensing at this level provides an indication that regulators in those jurisdictions have identified a risk in not doing so. In jurisdictions such as New South Wales and Queensland particularly, the contractual relationship is at the heart of the conduct compliance and disciplinary regimes and/or home warranty arrangements and removal would have wider implications for the overall regulatory approach.

In Queensland, for example, all contractors are required to pay a premium under the Queensland Home Warranty Scheme for each contract for insurable work (residential building work) valued at more than \$3,300. This protects the consumer if the contractor does not complete the contracted residential building work, the work is defective or the building suffers from subsidence or settlement. If contractor licensing is removed, it is likely that contractors will not be able to take out this insurance, which is linked to the holding of a licence which ensures that the person undertaking the work has a minimum specified level of competency. It should be noted that clause 3.7 of the Intergovernmental Agreement specifically provides that the national system will not compromise Queensland's existing home warranty insurance scheme. Additionally, deregulation of contractors would potentially result in unlicensed persons being able to contract for work and engage others to perform that work, which would reduce the ability of regulators to monitor compliance, establish responsibility for defective work or monitor state conduct requirements relating to work supervision or financial probity. This would increase risk and reduce consumer protection in those jurisdictions which licence contractors. Should only occupational licensees, rather than any unlicensed person, be able to contract for regulated work, the number of available suppliers would be reduced as not all occupational licensees would have either the funds, capacity or desire to run a business.

Contractor licensing assists regulators with the identification and removal of rogue or poorly performing contractors. Queensland indicates that contractor licensing offers mechanisms for consumer protection, including relevant public register information on disciplinary history to allow consumers to make an informed choice; mechanisms for disciplinary and other action with the regulator being able to suspend or cancel a contractor's licence and the power to exclude persons, which assists regulators to identify phoenix companies and provides a strong incentive for contractors to comply with contract requirements and to adhere to regulator directions, including rectification orders. Removal of contractor licensing would therefore remove these protections.

Three jurisdictions, Victoria, Western Australia and the Northern Territory, do not currently offer separate contractor licences. In these jurisdictions, the technical work licence provides the holder with the ability to contract for work and business conduct is left as a matter for consumer law and the Corporations Act 2001. In Victoria and Western Australia any person can operate a plumbing or gasfitting business and contract for work. This is also the case for gasfitting in the Northern Territory although only licensed people may contract for plumbing work. Those jurisdictions licensing contractors state that they seek to protect consumers in a more proactive manner so that consumers can have confidence that the businesses with which they are dealing have been vetted by government and have met the required business standards to enter into a contract. They state that consumer protection laws provide avenues for redress once something has gone wrong but do not provide the same protections and consumer assurances offered by the ability of a regulator to control who works in the sector in a pre-emptive manner. They stress that contractor licensing provides for a greater degree of up-front information on past business conduct, which supports risk profiling and informed monitoring practices and regulators are then able to manage instances of poor business conduct in a more responsive manner, including through disciplinary processes and conditions, and by the removal of the licence, if necessary. In jurisdictions without contractor licensing, where any business may contract for plumbing and/or gasfitting work there is no equivalent process to monitor or manage contractual behaviour at the early stage and there is a reduced ability for licence regulators to prevent phoenix operators.

In Victoria, plumbers must hold current insurance coverage and the licence application form requires disclosure of personal probity issues, such as the commission of fraud or dishonesty offences, any

insolvency history or offences against the Fair Trading Act (1985) or Trade Practices Act (1974). While disclosure of such history forms part of the overall assessment for licence eligibility, these probity responses are not monitored at any stage and there is currently no formal process for notifications to the Plumbing Industry Commission from Consumer Affairs Victoria when breaches of consumer law are detected in relation to licensed work. A government representative from Victoria recently stated *'Victoria's current plumbing regulatory framework does not have jurisdictions over whether a contractor who does not hold a worker licence and is engaging in inappropriate business practices can be stopped from continuing to operate in that capacity. The proposed contractor model under (national licensing) could assist in dealing with this issue in Victoria.'* Under national licensing, proposed personal probity checks would not include these basic checks because some criteria, such as the check for bankruptcy, would not be deemed relevant to an employee, but to a contractor only.

While the most deregulatory and cost-efficient licence approach might suggest that contractor licensing could be removed, the need for contractor licensing continues to be strongly supported in jurisdictions that license contractors separately, for the reasons provided above. It could therefore be expected that removal of this level of licensing would result in alternative regulatory controls being introduced in each jurisdiction to compensate, leading to the unintended consequence of increased and divergent regulation in this area.

The Consultation RIS proposed a range of licences which included separate contractor categories for each work type, e.g. a plumber contractor's licence, a drainer contractor's licence and so forth. A single contractor licence is now proposed for plumbing and gasfitting which may be used across all categories except the provisional licences. A contractor licence will allow an individual or body corporate to contract with the public for the proposed regulated work. Applicants would be subject to personal and financial probity requirements.

The National Law provides that if the contractor is a body corporate, it must have a nominee who is licensed as an individual to carry out the regulated work. An individual who wishes to obtain a contractor's licence but does not personally hold a licence enabling them to carry out the regulated work would be required to nominate a nominee who had the relevant licence to carry out the regulated work and/or to ensure the work was undertaken to the appropriate standard. A contractor may have multiple nominees to carry out multiple scopes of regulated work.

In this way, a contractor licence would still be linked to the regulated work however a separate contractor licence would not be required for each category of regulated work, but the contractor licence must authorise each category of regulated work. As an example, a plumbing and gasfitting contractor may hold a single contractor licence and enter into contracts to carry out both plumbing work and gasfitting work, if they hold the licences or have a nominee with those licences.

This revised proposal has been made as it reflects the way many jurisdictions currently issue contractor licences – for example, they may issue a single physical licence with a number of authorisations for the regulated work that may be performed. Issuing in this way is more efficient administratively.

The Business Council of Australia proposed the removal of the separate contractor level of licensing, noting that the consumer protection it offered was already safeguarded through the Australian Consumer Law. However, for the reasons provided above, this approach was not supported by the IAC, or by most of those providing comment on the Consultation RIS.

Over 84 per cent of submissions which specifically responded to a question on the need for contractor licensing supported contractor licensing. This figure does not include submissions which indicated support for all the categories listed, which included contractors for specific work.

A generic contractor licence across a range of occupations was also considered and rejected as, while it appeared to provide a deregulatory approach, further consideration showed that it would significantly increase administrative complexity. It would require greater coordination between agencies, particularly where work was divided between one agency regulating contractors and another regulating technical work, particularly on compliance and enforcement issues, which could increase risk. Additionally, the lack of a specific and obvious connection between a contractor and the work for which they are authorised to contract would reduce transparency for consumers.

(Full) licence and Tradesperson registration

A full licence holder is able to perform work unsupervised and is able to sign off on the technical compliance, but cannot contract with the public. A registered tradesperson must be supervised to undertake work, cannot sign off on the technical compliance and cannot contract with the public. This reflects the status quo in many jurisdictions and both levels are proposed in this RIS.

As indicated in the discussion on the preferred model, while a proposal was put forward in the Consultation RIS to remove the registered tradesperson level (the two tier model), this would have reduced the current standards of training required to obtain a licence and would lead to increased health, safety and environmental risks.

Submissions which provided comment on the concepts of a full licence or tradesperson registration, separate to consideration of the regulated work of a particular licence category, were small in number, but primarily supportive. A small number of submissions were received which did not support a registration level in any category as this did not reflect current practice in the jurisdiction of origin. The impact of including a full licence level and a registered tradesperson level is minimal, as it reflects the status quo.

Provisional licence

A provisional licence is a licence issued to a person who, for specified reasons, may not be able to demonstrate the full range of skills required to obtain a licence. It allows a person to work under supervision while they achieve the full range of skills necessary for a licence.

A provisional licence was proposed in the Consultation RIS which would, primarily, be issued to overseas trained applicants. Provisional licences would allow the holder to start work while required competency based 'gap' training was completed. Such licences would be time limited and restricted to a maximum of two one-year licence periods for a particular category.

As part of COAG's 2006 initiative to reduce skills shortages, the states and territories agreed to issue provisional licences to assist overseas applicants who held a certain level of competence to start work in Australia pending training in local requirements. Without such licences, skilled migrants may not be able to pursue their occupation, as they would have no experience of working to Australian standards and therefore could not obtain a licence allowing them to work. The issuing of these licences is based on a process and standard for assessing the qualifications of overseas licence applicants before they migrate to Australia. If the applicant is successful, they are granted an Offshore Technical Skills Record (OTSR) through this process, which is overseen by Trades Recognition Australia. The states and territories agreed to issue a provisional licence to those

applicants who obtained an OTSR with the condition that they would work under supervision and that the Australia-specific content would be completed within a specified period. This agreement did not include the issuing of provisional licences for mechanical services, fire protection, gas Type B appliance work or any restricted licence and consequently, these are not proposed under national licensing.

It is proposed that, to provide consistency in approach across the trade occupations, the licensing regime for plumbing and gasfitting occupations should include provisional licences to deal with both offshore and onshore assessed migrants while they complete training in the Australia-specific requirements and standards necessary to be granted a qualification. It is proposed that the same qualification requirements (and gap training) would apply to both offshore- and onshore-assessed applicants. Trades Recognition Australia, which manages the migrant assessment process, is currently examining the arrangements that would apply onshore with a view to implementation in 2013–14.

A provisional licence is not proposed for apprentices and trainees, because the work undertaken is under the supervision of an employer, who is accountable for the work.

Approximately 25 respondents did not support the proposal for a provisional licence level. Of these, most did not provide reasons for their position however a minority indicated a preference for any entry to the plumbing and gasfitting trades to require a high skill level. As the vast majority of submissions did not generally oppose the provisional licence category, and no strong arguments were provided for any changes, it is recommended that the proposal remain unchanged. As the proposal reflects current arrangements, no impact is identified.

3.2.2 Proposed regulated work

Specific issues raised during the policy development or submission processes concerning the proposed regulated work are outlined below. All other scopes of regulated work or definitions will remain unchanged from that proposed in the Consultation RIS.

Water service

Submissions from the National Farmers Federation and the irrigation industry identified that the current definition of ‘water service’ referenced in plumbing inadvertently captured a broader range of activities than is currently included. Currently, those definitions usually include only those connections directly or indirectly connected to the public water supply. Framed in this way, it has the unintended consequence of reserving to plumbers activities such as installation or repair to stock watering and domestic water on farms and the pump and pipework used by those working in the irrigation industry. This would increase costs for both these sectors, compared with current practices.

The scope of work has therefore been amended to explicitly exclude work on pipework or equipment used for the supply of non-drinking water for agricultural or irrigation purposes unless the water is supplied by a network utility operator or other water supplier.

Gas supply point

The regulated work of general gasfitting work includes a definition of the term ‘gas supply point’ as ‘the outlet of the cylinder or tank’. Some concerns were raised during the policy development process about the definition of gas supply point and whether it means that LPG suppliers’ truck

drivers would now be able to change pigtails, a role currently the responsibility of gasfitters (for example in Queensland). As currently drafted, the proposed regulated work for general gasfitting work includes pig tails as this is the connection between a gas cylinder or tank and the first stage regulator. This means that this work is licensed work and cannot be performed by an LPG truck driver unless that person is licensed as a general gasfitter. It should be noted that an unlicensed person may connect or disconnect a gas cylinder to remove, fill or refill the cylinder but they are not able to replace the pigtail as this work can exceed 200kPa. No submissions or other consultation feedback commented on this issue, therefore it is recommended that the definition remain unchanged.

Gas Type B

The proposed gas Type B appliance work takes an approach to defining Type B gas appliances based on gas input limitation. While it was noted that a risk-based approach would be preferable, consultation with gas regulators indicated that the development of such an approach would take considerable time. A typical standards review and upgrade would take two to three years because there is currently no well-defined and nationally accepted safety risk classification system for gas Type B appliances. It was therefore not considered possible to have a risk-based approach for Type B appliances ready for the introduction of national licensing. However, this may be work that can be undertaken in the future if the benefits can be demonstrated.

The IAC did not support the need for restrictions based on type of gas as few jurisdictions currently differentiate in this way, the risks are common to all gas types and gasfitting training provides the broad skills to deal with all types of gas.

Servicing stationary engines was included in the regulated work for Type B gas appliances on the advice of the Gas Technical Regulators' Committee. This group also suggested the inclusion of a restricted gas Type B appliance licence providing for disconnect/reconnect work to include disconnection, removal, replacement and connection of a like-for-like item. There is no national qualification for this work, and any restricted licence would need to depend on state-specific courses. It was noted that it was outside the scope of national licensing coverage of plumbing and gasfitting to regulate the general mechanical maintenance of stationary engines. The IAC did not support the need for a restricted licence but agreed that an exemption should be included for servicing a stationary engine limited to 5 G/h where the fuel supply is turned off at an isolation valve and the work does not include any work on the fuel supply source to the engine. This is therefore the approach proposed. Members noted that there is currently an inconsistency in the treatment of stationary engines using liquid gas fuels compared to vapour gas and that this is a product of different regulatory arrangements outside the scope of national licensing.

Commissioning

Submissions from the Master Plumbers and Mechanical Services Association Australia and the Communications, Electrical and Plumbing Union commented that the term 'commissioning' was not included in the proposed definition of regulated work for all classes of plumbing and gasfitting work. The submissions stated that commissioning 'means ensuring that the completed work operates correctly in line with its intended use'. They argued that the absence of this term was inconsistent, as commissioning was included for fire protection and gasfitter Type B appliance work and that not including it in all scopes of regulated work could potentially allow non-licensed persons to perform this work. A survey of definitions in current legislation indicated that this term is not used in a number of jurisdictions however, based on the concerns outlined, this activity will be explicitly

included in all scopes of regulated work, and a definition included in the Amendment Bill, to ensure consistency. It is noted that New South Wales considered the inclusion of the word commissioning unnecessary as it is deemed to be included in the scope of work of the person responsible for the work.

Stormwater

Stormwater work has not been included as part of the regulated drainage work. There was strong support from New South Wales and Queensland for its exclusion from the scope of work of a drainer. Currently, stormwater is not licensed as plumbing or drainage work in New South Wales, Queensland, Western Australia, South Australia, the Australian Capital Territory or the Northern Territory but rather is classified as building work. Only two jurisdictions, Victoria and Tasmania, regulate stormwater as part of plumbing or drainage work.

The steering committee agreed that the licensing of stormwater would be deferred pending consideration in conjunction with the work examining the building occupations in national licensing, at which time those jurisdictions that regulate the work under plumbing will be involved. The deferral was strongly supported by the Queensland Building Services Authority as it indicated that any expansion of plumbing work to include stormwater has major implications for the approximately 63,000 builders in that state that would need to be transitioned to national licensing with a plumbing licence restricted to stormwater under the no disadvantage principle.

A high number of the form letter responses wanted stormwater drainage to be included in plumbing work and for there to be no deferral in its consideration, and noted that the work is included in plumbing work in the national training package. It was not possible to consider this suggestion at this time as including it in the regulated work of plumbing would reserve the work to plumbers and necessitate builders who are able to do this work in six jurisdictions requiring a separate plumbing licence to be able to continue to operate. This would be a major change to existing arrangements and would have significant impact on business.

There appeared to be a misconception by some respondents that there was an intention to change current arrangements and deregulate stormwater work. This is not the case. The steering committee decision, reflected in the Consultation RIS, was that jurisdictions which currently regulated stormwater work as plumbing work would continue to do so following the introduction of national licensing for plumbing. In those jurisdictions where this work is regulated as building work, this would also continue unchanged. It is expected that, when this issue is considered under the building occupations, discussions with plumbing representatives and building industry representatives will occur to agree the best way to regulate this work that does not disadvantage existing licensees.

During the policy development process there was support from the IAC for an exemption for an individual who was an employee or contractor of an entity that was responsible for the provision of water or sewerage or stormwater services, who is carrying out regulated work on the entity's infrastructure. This has been included as an exemption under the National Law.

Roof plumbing

Roof plumbing work is work on flashings and any part of a roof drainage system to ground level. It is regulated as plumbing work in Victoria and Tasmania only. This has not been considered as part of regulated plumbing or drainage work at this time as there are potential overlaps with roof covering work which is undertaken by builders in all other states and territories. The steering committee

agreed that, similar to the treatment of stormwater work, the licensing of roof plumbing would not be changed from current arrangements at this time and would be deferred pending further consideration. A high number of submissions received, including those from six state Master Plumbers' Associations, wanted roof plumbing to be included in plumbing work and for there to be no deferral in its consideration. It was not possible to adopt this suggestion as including it in the regulated work of plumbing would reserve the work to plumbers and have major impacts on other occupations. Examination of this will occur in conjunction with work on national licensing for the building occupations.

Design and construction

The words 'design' and 'construction' were not included in the scopes of work for plumbing, sanitary plumbing, draining and fire protection as only Victoria currently uses these terms in its scope of work descriptors. Very few submissions commented on this, and no new evidence was provided to indicate the need for inclusion. No change is envisaged to this proposal.

Ducting

In the Consultation RIS, it was proposed that ducting not be licensed, as it was low-risk work. Jurisdictions, such as Queensland, that currently regulate ducting, supported it not being included in national licensing although the preference of Victoria was to include it in plumbing licensing. Given the lack of strong arguments for any changes and the low number of submissions in this area, it is not proposed that ducting be included in the scope of mechanical services work or as a restricted licence, however it may be included in the discussion of wave two occupations.

Work on fire equipment

The installation and maintenance of different types of fire equipment e.g. hose reels, hydrants, sprinklers, pump sets were not considered to warrant a separate licence category as they were considered to be adequately encompassed within the broader regulated work of other proposed categories such as the full fire protection licence or the newly proposed restricted licence for the inspection and testing of fire equipment.

Queensland Fire Protection Framework

Queensland has the most comprehensive fire protection licensing framework of all the jurisdictions, developed in response to the Palace Backpackers Hostel fire in Childers in 2000. The framework extends beyond the inspection of water-based systems to the inspection, testing and certification of fire protection systems within buildings. It also covers such items as fire doors and shutters and emergency lighting. The framework's extensive nature will necessarily be discussed and considered as part of the policy development for the building occupations.

As the proposed fire protection licence (at the levels of contractor, (full) licensee and tradesperson registration) will only partly cover the existing Queensland framework, jurisdictional representatives point out that Queensland fire protection licensing will be dually regulated at both the state and national level for some activities. For example:

- Water-based fire protection work will require a national licence (excluding water-based special hazard suppression work which is outside the scope of the national licence).
- Five Queensland 'certify' licences involve inspecting and testing of plumbing work (for the purposes of certification of the fire protection system in a building). However, inspecting and

testing is proposed to become a restricted licence which does not explicitly include certification. This could mean that a person undertaking this work in Queensland could require both a Queensland 'certify' licence and a national licence, if Queensland chose to continue separate regulation of certification, unless a state-specific exemption was applied.

During the policy development process, the word 'certification' was removed from the scope of the regulated work in favour of the term 'ensuring technical compliance' of work. Queensland has indicated that it will continue to license certification work separately as 'the Queensland certify licence is substantively broader than 'ensuring technical compliance''.

Medical gases

Medical gases are those gases usually used in hospitals or other health venues in medical procedures. Victoria is the only jurisdiction to licence medical gases, which it does as part of mechanical services plumbing. Tasmania currently exempts those undertaking medical gas work from the requirement to be licensed. While other jurisdictions do not licence medical gas work, they do regulate it under health legislation or through codes of practice for dangerous goods. As licensing of this activity is not widespread, there is an opportunity to deregulate or more consistently regulate this activity across jurisdictions. During the consultation process, a number of industry representatives argued for the inclusion of this activity as licensed activity due to perceived dangers to health from faulty or contaminated supply processes. Little rationale has been provided, however, to support the need for licensing of this work rather than the alternative regulatory mechanisms used by most other jurisdictions. It is therefore not proposed to include medical gas work under mechanical services or as a separate endorsement.

3.2.3 Endorsements

Endorsements are authorisations to perform specialist work and are available to those who hold a specified existing licence. They allow the holder to carry out this additional work if they have met the skill requirements required for the endorsement. All jurisdictions issue endorsements but the work they cover differs between jurisdictions.

Endorsements proposed in Consultation RIS

The Consultation RIS proposed three endorsements. These were:

- commissioning and maintaining thermostatic mixing valves
- commissioning and maintaining backflow prevention devices
- testing and maintaining fire hydrants and hose reels.

Most jurisdictions licence the first two areas of work, either as part of the regulated work of a plumber or as endorsements. As a number of jurisdictions clearly find it appropriate to regulate these types of work as endorsements rather than including them in the plumber's licence, the proposal is that this be the preferred approach. To include this training in the skills requirement for a plumber would increase regulation for those jurisdictions which do not currently licence in this way and which treat these skills as optional. Those jurisdictions which include these skills as part of a plumber licence will be able to transition existing licensees to both the plumber's licence and the endorsement

It should be noted that, if the two tier licence model was supported, the number of endorsements would be likely to increase substantially, as skills considered necessary by industry to carry out a particular task and which are currently encompassed in the relevant Certificate IV units are not included in the Certificate III.

Hydrant and hose reel work is only licensed separately in Victoria and Queensland, under a restricted licence. The view of the steering committee was that an endorsement was more efficient, as a restricted licence would need to stand alone and require a more extensive skill set to support it. IAC members considered that only two units of competency would have been needed in order to undertake the work covered. As only two jurisdictions licence in this way, and the work is included in the scope of work and therefore the qualifications for a plumbing registration, there was an opportunity to remove this as separately licensed work.

Over 60 per cent of those providing submissions, who answered questions on the proposed endorsements either generally or specifically, supported the proposed endorsement for commissioning and maintaining thermostatic mixing valves, while close to 75 per cent of the same cohort supported the endorsement for commissioning and maintaining backflow prevention devices. No evidence was presented by submissions to suggest this is not appropriate. These endorsements are therefore included in the final proposal.

Fifty-eight per cent of those responding through the online survey did not support the proposed endorsement for testing and maintaining fire hydrants and hose reels. Respondents who commented specifically on the proposed national fire protection categories supported a restricted licence for the inspection and testing of fire equipment, which has now been included (see above). As this work is only separately licensed in two jurisdictions, and there does not appear to be industry support to maintain it, nor other evidence to support its need, it is not proposed to include the endorsement for testing and maintaining fire hydrants and hose reels in the proposed national licensing system. Little information was available on the number of licence holders affected by this removal, therefore the impact has not been costed.

Other endorsements canvassed in the Consultation RIS

The Consultation RIS also sought feedback as to whether any of the following endorsements should be required for either three tier model:

- an endorsement for solar and heat pump hot water system installation
- an endorsement for on-site sewerage facility maintenance
- an endorsement for gas Type A appliance conversion work
- an endorsement (or restricted licence) for Type A gasfitting work limited to servicing appliances
- residential and domestic fire sprinklers.

Solar and heat pump hot water system installation

Queensland is the only jurisdiction to require an endorsement for solar and heat pump hot water system installation. This endorsement has been in place since January 2011 and seeks to address the high proportion of defective solar and heat pump installation work identified as taking place in

Queensland. The Queensland representative indicated that the number of installations is increasing due to the phase-out of electric hot water systems across Australia. No other jurisdiction licenses this work as a separate category outside of standard plumbing work, and little evidence of need was indicated by industry through the submissions process.

Fourteen respondents expressed support for this endorsement, representing 12 per cent of all those answering the question on which additional endorsements might be necessary. The majority of respondents were silent on this issue. The regulated work for a plumber includes hermetically sealed heat pump hot water units that are self-contained. It is therefore not proposed to include this endorsement in those available under national licensing. There will be a small benefit in removing this endorsement.

On-site sewerage facility maintenance

Queensland is the only jurisdiction that currently has an endorsement on a drainer's licence for this work. During the policy development process, the IAC convened a working group to discuss whether an endorsement was needed for on-site sewerage facility maintenance. It noted that the installation, replacement, repair, alteration and maintenance of on-site sewerage facilities is already within the proposed national licensing scope of work for sanitary plumbing work and drainage work. While Queensland continues to advocate strongly for its retention, other jurisdictions either do not licence this work or regulate it through health departments and/or local government permit arrangements. No evidence was presented that this led to a greater degree of risk.

Queensland requires a single unit of training competency for the endorsement it currently has, however the IAC did not mandate this unit for the sanitary plumber or drainer licences under national licensing. The IAC did not support either an endorsement or an exemption for this work and neither was proposed.

Less than 11 per cent of those answering the question on which additional endorsements should be included expressed support for this endorsement. The majority of respondents were silent on this issue. Given that no other jurisdiction licences this work, and the lack of support for such an endorsement both through the IAC and in public comment, it is not proposed to include this endorsement in those available under national licensing.

Gas Type A appliance conversion work

Victoria is the only jurisdiction to issue this endorsement and requires a gasfitting licence or registration and the undertaking of an examination relating to Type A appliance conversion. Other jurisdictions do not distinguish this type of gasfitting work in any way, and it is undertaken by gasfitters as part of their usual practice. As this work is only separately licensed in one jurisdiction, there is an opportunity to remove regulation in this area. No evidence of increased risk was provided by industry through the submissions process.

Less than 11 per cent of those answering the question on which additional endorsements should be included expressed support for this endorsement. The majority of respondents were silent on this issue.

As most jurisdictions do not currently licence in this way, and no evidence was provided to support the need for such an endorsement under national licensing, it is not proposed to include this endorsement among those proposed.

Type A gasfitting work limited to servicing appliances

The servicing of Type A gasfitting appliances comprises work on manufactured, certified, appliances using gas as a fuel. This work does not include installation of the appliance.

Only Victoria and Queensland licence this work separately; Victoria as an endorsement on a gasfitting licence or registration and Queensland through two restricted licences, one of which is restricted to caravans only. An opportunity was therefore presented for rationalisation of licensing in this area.

Qualification requirements between the two jurisdictions are substantially different: Victoria requires a full Certificate III plus successful completion of an examination in servicing competencies, while Queensland requires four units of competency. The Australian Capital Territory has a form of accreditation which allows those accredited to disconnect, reconnect and service Type A gas appliances. Those who apply for accreditation must hold a gasfitter's licence or have two years' experience with Type A appliance work and have completed an approved training course (however a search of the www.training.gov.au site indicates that the courses listed in the relevant instrument are no longer current). The Australian Capital Territory regulatory agency confirms that 'the Certificate III for gasfitters includes sufficient units on Type A appliances to allow a licensed gasfitter to be considered suitable for gas accreditation'. South Australia has approximately 80 licences restricted to servicing and limited to particular identified manufacturers or their agents and some of these would have arisen following mutual recognition of other state licences or for historical reasons. All other jurisdictions include gas servicing as part of general gasfitting.

Queensland strongly advocates the inclusion of a restricted gas Type A servicing licence under national licensing. It states that the licence has been designed for an emerging industry which it expects to grow over the coming years to meet the demand for a sustainable and energy-efficient domestic and commercial gas product. Queensland indicates that it has 110 licensees in this field and has expressed concern that, under national licensing, qualification requirements would increase for new applicants who would be required to undertake a Certificate III qualification rather than the lower skill requirement currently in place and that therefore regulation would increase for this state. (Note that current licensees would be transitioned to an equivalent licence in the new system without requiring further training).

Queensland also has 33 Type B company authorisations, for companies such as Miele, Bosch, KFC and Sizzlers, to carry out servicing of their commercial catering equipment. There are also more than '30 caravan servicing and repair companies in North Brisbane alone that actively encourage annual servicing of caravans', according to information supplied by the Queensland government.

Victoria has indicated that it has substantially more licence holders for this restricted activity than Queensland and also indicates that this is a specialist area of work for those who do not choose to install appliances. The Australian Capital Territory has relatively few workers with accreditation, but supports a restricted licence for the work. As the work is covered under general gasfitting and no other jurisdiction supported a separate licence for this work, it was not proposed in the Consultation RIS.

Removal of a separate licence for this work will reduce the regulatory burden in Victoria, as the examination currently in place would no longer be needed. It would, however, increase regulation for Queensland, as a full licence would be required rather than the four units of competency currently required.

Only approximately 9 per cent of those answering the question on which additional endorsements should be included expressed support for this endorsement. Those who supported it included the Caravan, RV and Accommodation Industry Association of Australia and two companies involved in appliance servicing, one in New South Wales and one in Victoria. The Industry Association has indicated that the sector is an expanding one and that calling out a fully licensed plumber for work on caravans is time-consuming and costly for consumers and the work required 'quite basic'. Queensland is the only jurisdiction to offer a restricted licence for caravan servicing currently.

All other submissions supporting the restricted licence sought a disconnect/reconnect licence to allow licensees to replace like-for-like appliances such as cooktops, stoves and ovens, in their role as service agents for manufacturers and importers. One respondent suggested that a requirement to have a full licence for this work would increase risk as it would lead to unlicensed people attempting the work.

Overall, approximately 58 per cent of those responding to the question of whether a restricted licence should be available for servicing gas Type A appliances did not support a restricted licence.

Only two jurisdictions currently offer a licence with this scope of work (South Australia does not offer a separate licence category, and the ACT offers a larger scope of work), it was not supported by the IAC and minimal evidence was provided to support its inclusion. It is understood that the risks of incorrectly servicing gas appliances are no less than for other gasfitting work. It is therefore not proposed to include either an endorsement or restriction for servicing gas Type A appliances in the list of categories available under national licensing. Instead, the work will be regulated as part of the general gasfitting licence. There would be a small benefit applying to the removal of this licence in those two jurisdictions which currently offer it but this has not been quantified. This benefit would be offset for new licence applicants in Queensland, who will now need to obtain a higher qualification to do this work.

Residential and domestic fire sprinklers

The NFIA sought the retention of an endorsement for 'residential and domestic fire sprinklers', available in Victoria and issued as a separate licence in Queensland and the Australian Capital Territory. The retention of this endorsement was also supported by Victoria. New South Wales noted that this unit related to design, which is not included in the regulated work, and the work is controlled by building approval processes. The IAC did not include this endorsement, there was almost no support for such an endorsement in the other submissions received and no evidence provided to indicate a need. It is therefore not proposed to include a separate endorsement for this work.

3.2.4 Nominees

If a contractor does not hold a licence to undertake the relevant technical work, they must nominate a licence holder who holds the relevant licence to undertake the work in order for the contractor to contract for that work. This requirement has already been agreed as part of the national law.

A nominee must be:

- for a body corporate or a partnership involving a body corporate – a director or employee
- for a partnership involving individuals – a partner or employee

- for an individual – an employee.

These arrangements were proposed in the Consultation RIS and the intention is to establish a link between the nominee and the business so that responsibility can be readily determined in relation to compliance. Regulators indicate that it is far more difficult to establish responsibility for breaches where a licence holder who performs the work has no ongoing link to the company who has contracted for the work as it can be difficult to locate and contact the licence holder, particularly where a large company is involved. To remove the nominee requirement in seven jurisdictions would have significant negative consequences on the capacity to hold contractor licensees responsible for their supervision of work and result in regulators having to rely on standard director obligations. Some jurisdictions consider that this requirement needs to remain part of the essential architecture of a robust licensing model. A number of jurisdictions currently require nominees and usually require an employment-type link between them and the contractor, for this reason.

Queensland has provided the following rationale for a nominee requirement:

The nomination of a particular responsible person allows the policing of persons responsible for defective work. In many cases, defective ... work associated with an accident or incident may have been carried out by any one of a large number of persons. Having a qualified technical person, or nominee under the National Law, who signed off the work, makes sure that a responsible person cannot evade investigation and compliance action.

New South Wales provided the following in support of a nominee requirement:

The possession of a contractor licence for a given occupation implies an understanding of the technical work associated with that occupation. The concept of the nominee ensures this is the case by embedding the requisite technical skills and knowledge in a contracting agency. In other words, the nominee ensures that there is a correlation between being authorised to contract for a given scope of regulated work, and possession (within the contracting agency) of the necessary qualification requirement. If the nominee provision is removed then the ability to ensure the contractor's compliance with a skills requirement is also removed.

Some jurisdictions do not currently require nominees for the plumbing and gasfitting occupations. As an example, South Australia has indicated that the introduction of nominees would create a regulatory burden for businesses. Following discussion between jurisdictions, it has been proposed that individual jurisdictions will be able to choose to allow sub-contractors to fulfil the role of a nominee, however in jurisdictions where this occurs, a contractor that has only a sub-contractor nominee, and not a nominee who is a director or employee, will be unable to contract for work outside of the jurisdiction in which their principal place of business is located. The original proposal would have increased the regulatory burden for businesses in South Australia, Victoria, Western Australia and the Northern Territory, whereas this amendment would minimise additional cost impacts on these jurisdictions.

A nominee must consent to undertake the role to prevent nominations without consent. An interim nominee may be engaged for a period of time if an existing nominee is no longer in place, and must hold a licence in the relevant category but does not have to be an employee or a director of the business.

A body corporate may choose to have more than one nominee. Under amendments proposed to the National Law, a business requiring a nominee will be required to have a nominee at all times to

undertake regulated work and will be required to notify NOLA if the business no longer has a nominee. In situations where the nominee dies, resigns as the nominee or is no longer eligible to be the nominee, the licensee must notify NOLA in writing, as soon as practicable but not later than within 14 days of the situation occurring. NOLA would have the discretion to authorise a licensed contractor to operate for a set period with an interim nominee under prescribed conditions. An interim nominee does not need to be one of the parties specified above.

There was substantial discussion between jurisdictions on whether the role of the nominee should be set out in legislation and the extent to which a nominee should be responsible for the supervision of other staff carrying out the licensed work to an appropriate standard. As there are significant differences between jurisdictions on the current role of nominees, it was agreed that the role should not be defined in the National Law, but will continue to be set under the separate state and territory legislation relating to the conduct of licensees and businesses. Nominees will not, therefore, be subject to additional probity requirements beyond those necessary for them to obtain a licence.

Of those who commented on nominees, slightly more submissions supported the proposal for nominees than did not. While most of those not supporting the nominee concept failed to provide a reason for their view, a small number sought the expansion of those able to be nominees to sub-contractors and/or contractors to reflect current work practices in their jurisdictions. Others thought that contractors needed to have the skills and experience to understand the work for which they contracted and did not want 'unskilled people' as contractors. One submission indicated that requiring nominees would increase regulation.

It is proposed to retain the approach to nominees as outlined in the Consultation RIS, which builds on the requirement to have a nominee established in the national law, but to include the possibility for individual jurisdictions to choose to allow sub-contractors to fulfil the role of a nominee. In jurisdictions where this occurs, a contractor that has only a sub-contractor nominee, and not a nominee who is a director or employee, will be unable to contract for work outside of the jurisdiction in which their principal place of business is located. This approach would minimise additional regulatory burden in the few jurisdictions where nominees are not currently required, but it also facilitates a broader national approach acceptable to all jurisdictions. In all cases, a person must agree to hold the responsibility of nominee (as set out in the relevant jurisdictional conduct legislation).

3.2.5 Exemptions

An exemption provides for certain persons not to be required to hold a licence, in specified circumstances. All jurisdictions provide for exemptions, but these may be provided for different purposes. It was considered that exemptions should only be applied when the benefits of allowing the work to be done by unlicensed persons outweighs the costs associated with consumer risk.

Four exemptions are proposed:

- A person who, in the person's capacity as an employee or contractor of a plumbing entity that, is carrying out regulated work on the entity's plumbing.
- An individual who is carrying out the regulated work under a contract of employment and training, or as a student undertaking competency-based training or assessment for the purpose of gaining qualifications necessary for obtaining a licence and who is under the supervision of an individual who is licensed to carry out the regulated work unsupervised.

- A person who is the holder of a prescribed authority (by whatever name called) and who, as part of carrying on business under that authority, contracts for the provision of that regulated work other than under a contract of employment, with another person licensed to carry out that regulated work.
- A person who is carrying out regulated work that is type B gas appliance work, if a law of a participating jurisdiction declares that an exemption applies to this person.

These have been modified from the wording contained in the Consultation RIS.

The original wording proposed for the third exemption used the term ‘builder’s licence’ and was included to take into account situations where a plumber or gasfitter was working for a building contractor. When the legislation was drafted, however, this wording presented difficulties because it would necessarily pre-empt the national licensing work being undertaken on the building occupations.

Approximately 53 per cent of those responding on the proposed exemptions expressed support for them. Of those not expressing support, very few provided any rationale but the two respondents who did indicated concerns over safety or lowering of standards.

It is proposed to retain the general approach to exemptions outlined in the Consultation RIS.

3.2.6 Limited exemptions

Limited exemptions provide the ability for the national authority to respond to local conditions, where necessary.

During the policy development process, Western Australia indicated a requirement for a provision to allow the delivery of plumbing services in remote locations where a fully licensed plumber may not be available to provide a timely service response. Other jurisdictions have indicated that this is also an issue for remote locations. While the IAC had expressed a strong disposition not to exempt persons from licensing when dealing with remote locations, considering that these communities should have access to qualified tradespeople, the steering committee noted that qualified tradespeople are not always available and that this limited exemption provided a pragmatic response to service delivery.

The Consultation RIS therefore outlined a limited exemption to allow NOLA to exempt individuals or classes of individuals in remote localities from the requirement to hold a plumber’s or drainer’s licence, if it is appropriate to do so, taking into account the work to be carried out and the remoteness of the locality. A definition of ‘remote locations’ would need to be agreed on as part of the implementation process.

Only two submissions commented on this proposal and these did not support it. It is not proposed to change the original proposal however, as the steering committee’s view of the importance of service provision in remote areas remains valid and no subsequent evidence has been provided to indicate that remote communities have full and ongoing access to licensed plumbers to undertake urgent or semi-urgent work.

3.2.7 Non-skills-based eligibility requirements

Proposed personal probity requirements

Current personal probity requirements can include checks for disqualified licences and criminal history checks. The application of these checks varies across jurisdictions. The proposals for personal probity requirements are included in Table 3.4. Under national licensing, personal probity checks for applicants, licensees or relevant persons in relation to matters relating to the criminal history of the persons, can be carried out to the extent that there is a connection between the criminal history of the person and the inherent requirements of the occupation for which the person is an applicant.

This connectivity test was fundamental in the policy development process, which focused on ensuring that licence requirements were directly relevant to risks to public or consumer safety for the specific occupation. The test did not capture risks that were unrelated to the carrying out of the occupation.

In the case of plumbing and gasfitting work, the main risks identified were those associated with inadequate work processes. Accordingly, it was considered that offences against the person, such as violence, did not have a direct connection to the inherent requirements of the occupation. Criminal history checks are not currently required in the majority of states for plumbers and gasfitters, and these states have not indicated any increased consumer safety impact.

It was acknowledged that there could be a case for applying personal probity criteria in relation to the carrying out of a business and that this should be applied to contractors and relevant persons for a body corporate. In this regard, the proposed offences are offences related to dishonesty, offences relating to misleading and deceptive conduct and offences relating to a person's obligations under a law relating to occupational health and safety. The Australian Capital Territory has indicated that the requirements will represent an increase for that jurisdiction which currently checks only for offences of fraud, dishonesty or violence which are punishable by imprisonment for a year and requires that, if a corporation with history on the Australian Securities and Investment Commission database, it must provide an extract of that history. A small number of personal probity checks have been listed for individuals as employees. Primarily, these have to do with ensuring that the applicant has not carried out, engaged others to carry out or advertised/offered to carry out work unless they are licensed or exempt. These are not new inclusions, as such, but were previously listed in section 21 of the national law under 'Excluded person'. All jurisdictions currently have prohibitions against persons for behaviour in relation to unlicensed work. As this check could be a question on the application form, supported by information on the national register, the cost is likely to be minimal for jurisdictions that do not currently ask this question at the time of application. New South Wales, Western Australia and Victoria currently have personal probity requirements for the equivalent of a registered tradesperson, with all three asking questions on criminal history at the time of application and Western Australia also requiring a recent national police certificate. These checks will be removed under national licensing.

Some jurisdictions considered that additional safeguards are necessary and have supported prescribing additional matters relating to offences against the person that are not inherent in the requirements of the occupation. The rationale behind the proposal is that, in undertaking licensed work, licensees interact at some level with other persons, such as customers, employees, suppliers or other licensees. For example, plumbers will, in a wide range of the proposed licence categories, have access to private property and homes to undertake inspections, maintenance, repairs and

installations. In some jurisdictions, existing licensing laws provide the regulator with discretion to exclude persons from the licensed occupation based on relevant criminal histories involving offences against the person.

It should be acknowledged, however, that legal case history indicates that refusal to grant a licence on such grounds may be overturned on appeal to the courts, precisely because of the lack of direct connection between the offence and the carrying out of the occupation. There are social justice factors to be considered where a person is prevented from earning a livelihood due to past behaviour for which a penalty has been paid.

Of the more than 80 submissions that commented on the proposals for personal probity, over 80 per cent supported the arrangements proposed. A quarter of these proposals supported the inclusion of additional safeguards for considering serious criminal offences and a quarter did not support this addition. Very few respondents provided an explanation of their response; the very few that did tended to be those opposing the proposal who indicated that the requirements should be more stringent. It is not proposed to change the proposal outlined in the Consultation RIS. It is expected that the impacts of the personal probity requirements will be minimal, as they largely reflect current practices for full licensees in all jurisdictions and are offset by reducing the requirements in the three jurisdictions that current require more stringent personal probity checks for registered tradespersons

Proposed financial probity requirements

Financial probity arrangements aim to ascertain whether the financial integrity of the applicant is such that the risk to consumers of dealing with the licensed person is minimised. All jurisdictions require financial probity checks although these may differ in extent and coverage. The proposals for financial probity requirements are included in Table 3.6.

An approach to financial probity was recommended in the Consultation RIS whereby to be eligible for a licence under national licensing the applicant must meet requirements that relate to the failure to pay fines and an applicant for a contractor's licence must also meet insolvency history requirements. As with personal probity, the regulator will have the authority to refuse the licence application if the set standards are not met. The only requirement on non-contractor licensees is the check on whether the person has failed to pay fines or penalties required to be paid under the national law or a prescribed law. While this is a new requirement for the majority of jurisdictions, this will not be an onerous requirement as the information will be readily available on licence registers and may be as simple as providing a declaration. The expert advisory groups both supported this requirement on the basis that acquittal (and enforcement) of outstanding fines and penalties goes to the heart of the disciplinary scheme which is based on some form of penalty in relation to breaches. There are also some counter-balancing instances of a reduction in financial probity requirements. As an example, New South Wales will remove the check for bankruptcy for full licensees and registered tradespersons.

Of the 70 submissions that commented on the proposals for financial probity, over 80 per cent supported the arrangements proposed. Only one respondent, who opposed the proposed requirements, provided an explanation of their response, suggesting that the requirements were excessive. No strong arguments were presented for any changes to the proposed arrangements and therefore the model outlined in the Consultation RIS is supported. It is expected that the impacts of the financial probity requirements will be minimal, as they largely reflect current practices in a

number of jurisdictions. The impacts have been costed at Table 4.27 and indicate an annualised ongoing cost of \$0.02 million.

3.2.8 Qualification-based eligibility requirements

All jurisdictions require qualification-based eligibility criteria for obtaining an occupational licence although requirements may differ in relation to which qualifications or units of competency are required and the licences to which they apply. The proposals for qualification-based requirements are included in Tables 3.7 to 3.10.

Australia's national Vocational Education and Training system provides the foundation for national licensing requirements. The system comprises various elements that work together to ensure the quality and integrity of training and assessment services of registered training organisations across Australia. Nationally agreed training packages are part of the national qualifications framework, the Australian Qualifications Framework, which, together with the Australian Quality Training Framework, enables individuals to have national recognition of the qualifications and statements of attainment achieved.

The objectives of the Intergovernmental Agreement and the National Law include facilitating a consistent skill base for licensed occupations by using national training packages and skill sets as the basis for the qualification-related eligibility requirements for licensed occupations in national licensing.

The National Law (section 3(b)) requires that 'licensing arrangements are effective and proportionate to ensure consumer protection and worker and public health and safety while ensuring economic efficiency and equity of access'. In other words, requirements for competence in particular aspects of plumbing and gasfitting work should relate strongly to the regulated work and reflect areas of identified risk to the public. Where possible, eligibility requirements should be set at qualification level, and the level of qualification should be commensurate with the skills required for the regulated scope of work. Where competency requirements are not neatly encapsulated in a qualification or where licensing involves a subset of scope of work of a category, specific units of competency may be identified as a skills set.

3.2.9 Qualification requirements for preferred option

The Consultation RIS proposed qualification requirements for all three national licensing options, the three tier, sub-option 1, the three tier, sub-option 2 and the two tier option. This Decision RIS is based on the preferred model, which is sub-option 2 of the three tier model and includes tradesperson registration, (full) licence holder and contractor licence levels. The qualification requirements are inextricably linked to the rationale for the option selected, and information on this may be found in Chapter 2.

In summary, while the two tier option provided the clearest quantified net benefit, removing a layer of licensing and reducing training costs, both industry and regulator representatives advised that it would increase worker and consumer risk, as it would not provide an adequate skills base to those undertaking licensed work at the full licence level.

The basis of the two tier approach was the observation that a Certificate III qualification is generally considered to provide the levels of competency required to operate as a (full) licence holder in other trades such as electricians, and that therefore a Certificate III qualification should be sufficient to

obtain a full licence in plumbing and gasfitting. It was noted that the step from the tradesperson registration to the (full) licence level for a licensee who wishes to work independently creates a significant impost on the licensee, as the additional training is not always available or funded. Currently, most 'full' plumbers in some jurisdictions are licensed for a range of categories – for example, plumbing (water and sanitary) and gasfitting. Under the three tier, sub-option 1, they would require the Certificate IV training set for each, and on an accumulated basis the additional requirements would comprise almost the entire Certificate IV qualification. While the Master Plumbers Association of NSW pointed out that the cost of obtaining a full Certificate IV are less than that of taking a number of individual units, due to the approach to fees taken in certain jurisdictions, it was considered that the imposition of additional training at a level not required in other trades would have the effect of setting barriers to those seeking to work independently and would exacerbate skills shortages. It was considered by a majority of the Steering Committee that a more 'consistent and equitable approach' would be to combine the (full) licence holder and tradesperson registration levels to provide for a single level of (full) licence holder licensee based on the attaining of Certificate III level skills only.

It should be noted again that the proposal for this model was not fully developed and originally presumed the development of additional endorsements to cover some of the specialised skills currently encompassed by the Certificate IV units. The reduced number of endorsements proposed in the three tier models was predicated on these skills being encompassed within the full licence level and on risks being mitigated by their inclusion. Work on these potential additional endorsements has not been undertaken and it is likely that the need for such endorsements might emerge if this option were to be supported. This would decrease the benefits of labour mobility as licensees are likely to hold different endorsements and are therefore less likely to hold the full suite of skills required by a specific worksite.

The IAC, all Master Plumbers' Associations and the majority of respondents to the Consultation RIS strongly oppose this model. Their objection is based on the following:

- The skill requirements needs of the plumbing and gasfitting industry are more complex than that of the electrical industry, on which the broad training requirements needs are based.
- The proposal is a significant decrease of existing skills requirements in all jurisdictions for the equivalent of the full licence level at a time when industry is seeking to increase skills requirements, and does not provide the competencies necessary to carry out the full range of activities envisaged in the scope of regulated work for each relevant category.
- The tradesperson registration level provides a period of supervised work in some jurisdictions before a person is able to work unsupervised and its removal would lead to significant consumer and worker risk.

The view of industry and regulator advisory committees is that the Certificate IV units are inherently necessary for the bulk of plumbing work. It is therefore likely that, should a series of endorsements replace the Certificate IV units, a significant majority of licensees would require multiple endorsements and there would therefore be no reduction in the perceived 'barrier' facing those with a Certificate III level qualification. The stakeholder groups represented on the IAC and RWG are substantially the same as the groups that will form the occupational licensing advisory committees providing input to the NOLA. Their industry and regulatory experience supports a three tier model,

rather than a series of endorsements, as the three-tier model provides an pathway with a greater degree of supervised work (in a number of jurisdictions), through which their skills may mature.

The majority of jurisdictions currently require the completion of specified Certificate IV competencies before certain classes of licence can be issued. The number of licences being issued in these jurisdictions suggests that the cost and/or availability of training are not currently a significant barrier.

The Australian Qualifications Framework (AQF) (Second Edition, January 2013) outlines clear differences between the levels of work to be expected at the Certificate III and Certificate IV levels as demonstrated by the learning outcomes descriptors for skills and their application shown in the following extract:

	Level 3	Level 4
Skills	Graduates of a Certificate III will have: <ul style="list-style-type: none"> • Cognitive, technical and communication skills to interpret and act on available information • technical skills to undertake routine and some non-routine tasks in a range of skilled operations 	Graduates of a Certificate IV will have: <ul style="list-style-type: none"> • Cognitive skills to identify, analyse, compare and act on information from a range of sources • Specialist technical skills to complete routine and non-routine tasks and functions
Application of knowledge and skills	Graduates of a Certificate III will demonstrate the application of knowledge and skills: <ul style="list-style-type: none"> • To adapt and transfer skills and knowledge within known routines, methods, procedures and time constraints • In contexts that include taking responsibility for own outputs in work and learning including participation in teams and taking limited responsibility for the output of others within established parameters. 	Graduates of a Certificate IV will demonstrate the application of knowledge and skills: <ul style="list-style-type: none"> • To specialised tasks and functions in known or changing contexts • With responsibility for own functions and outputs, and may have limited responsibility for organisation of others

This demonstrates the wider range of specialised skills, decision-making capability and autonomy expected at the Certificate IV level, which would not be expected to be present at the Certificate III level, and supports the need for differentiation between those acting under supervision and within known parameters and those with more specialised skills, acting without supervision and in situations where professional judgement is required and the supervision of others may be required.

In the position paper ‘Licence Structure for the Plumbing and Gasfitting and Mechanical Services Occupations’ developed on behalf of the IAC and RWG, it was noted that:

The designated Certificate IV competencies can be broadly broken down into two categories:

- those that directly relate to specific skills required for undertaking areas of specialised work; and

- those that relate to developing competency to undertake the completion functions relevant to a class of plumbing or gas fitting work at the unsupervised level (e.g. sizing or commissioning of work).

The Certificate III level qualification alone does not provide the competencies necessary to proficiently carry out the full extent of the activities envisaged in a given scope for a category of work (e.g. water, gasfitting, drainage).

As an example, the Certificate IV competency CPCPGS4011B Design and size consumer gas installations provides the necessary skills involved in the planning, sizing and layout of pipe work in consumer gas installations. Without these skills, there is a potential for licensees to install a gas system that is not compliant or suitable for the specific requirements of the application. A failure to correctly size the piping, ventilation and fluing of a gas installation and a lack of appreciation of how all the different components of a final installation integrate, will give rise to serious risks, which could manifest in fire, explosion, severe injury or fatality.

A detailed examination of the skills provided by each the proposed Certificate IV units and the risks these skills are designed to mitigate, cross-referenced to the risks identified by the IAC and RWG committees in the initial stages of policy development (see tables D1 and D2) is provided in Attachment D, table 4. This also provides a comparison with the skills provided and risks mitigated for the closest identifiable comparable unit at the Certificate III level. This table provides the clearest confirmation that the Certificate III qualification, while providing the largest deregulatory benefit from a purely quantitative perspective, does not adequately provide the skills to undertake the work identified at the Certificate IV level, which, in all cases, leads to a greater depth and range of skills and knowledge than at the Certificate III. For the majority of 'comparable' units, a number of the key skills are simply not provided at the lower level, and allowing a Certificate III based licence holder to undertake unsupervised work in these categories would almost certainly lead to consumer or worker injury, risk of infection, property and/or environmental damage, depending on the unit considered.

It has been pointed out that not all jurisdictions currently require all the Certificate IV units for each category to which they apply and that this presents a case for moving to the lowest requirement for each category. It is only for mechanical services that the two licensing jurisdictions require the same Certificate IV units. For every other category, jurisdictional requirements vary and it is the challenge of national licensing to find an optimum pathway which meets the risks identified while not extending regulation. Unfortunately, quantitative evidence is not available across the states and territories on the incidence of risk events to allow a correlation with the number and type of units currently required in each jurisdiction. In the lack of such evidence, the stronger argument would appear to be with the majority of jurisdictions that have each decided independently that specific units should be mandatory, rather than with those who might suggest that these units be removed because one jurisdiction or a minority of jurisdictions does not currently offer them. As an example, New South Wales does not currently require either of the two units which are proposed as generic across all categories however seven jurisdictions have this requirement for plumbers and drainers and only one does not. In this case, the lack of the requirement in one jurisdiction does not build a robust case for overall deregulation of this requirement for these categories in the absence of any other evidence.

Although stakeholders did not provide quantifiable evidence to support the view that the two tier option would cause additional risk there was a strongly negative reaction to this option by industry, unions and regulators, expressed through submissions but also in meetings. It was clear that the

view of the majority was that the option would increase worker and consumer risk substantially and would be difficult to implement.

The three tier, sub-option 1 is favoured by the majority of respondents who indicated a preference however it increases the qualification requirements overall for the full licensee level for all categories. This increase could not be supported as no evidence has been provided of demonstrated failure relating to existing arrangements, even in those jurisdictions which have the least onerous requirements currently. This option would therefore incur a cost, compared with the status quo.

The three tier, sub-option 2 is therefore preferred in this Decision RIS as it applies most elements of the favoured three tier, sub-option 1 but maintains approximately the status quo in qualification requirements for most jurisdictions, while harmonising those requirements nationally.

Qualifications - Contractors

Contractors contract for business and may, or may not, also hold a technical licence to undertake work. The Consultation RIS proposed that there should be no additional business or technical competencies required for the contractor level of licensing. While the majority of IAC members agreed that there should be no technical skill requirements, there were divergent views on whether any additional business competencies should be required. Queensland strongly advocated the inclusion of specified business units for a contractor licence but little evidence was received to support any linkage between consumer protection and business efficiency for the trades.

A best practice approach to licensing requires that eligibility criteria should directly relate to the risks to be mitigated. The steering committee did not support the proposal for a contractor to require business skills as no evidence was demonstrated of the particular need for these skills in this occupation and they are not required of other, non-licensed businesses. To require business skills of plumbing and gasfitting contractors would therefore be inequitable.

60 per cent of submissions that provided comment on this issue supported a requirement for contractors to be required to hold qualifications, particularly in business skills. While an approximately equal number of respondents expressed their opinion in terms of a 'yes' or 'no' response to the question of contractor skills, an additional number provided written comment on the perceived skills needs of contractors. Of these, 14 per cent of the total respondents sought the inclusion of business training and these included a number of peak representative bodies such as a number of the Master Plumbers' state associations.

Of those supporting qualifications for contractors, few individual responses specifically sought the inclusion of technical skills, however the Master Plumbers Association of Tasmania and the Master Plumbers Association of New South Wales both support the holding of a full Certificate IV qualification for contractors.

Requiring technical skills of a contractor would, however, decrease the flexibility of business arrangements where an individual can manage a business but have a nominee or nominees with the requisite technical skills. If technical skills were required of a contractor, businesses operating as partnerships would be obliged to stop trading where the person with technical skills left or died, rather than continuing with a nominee. Such a requirement would also be inequitable as it could only be required of an individual contractor since a body corporate, in itself, could not possess skills.

It is therefore proposed that there be no qualification requirement for a contractor licence, either for business or technical skills. The impact of the removal of qualification requirement for contractors has not been costed but could be expected to provide a benefit. This is difficult to quantify, however, as a proportion of those who have the technical licence will want to hold a contractor licence and would therefore have the technical skills already, and some will seek to develop business skills as part of the process of establishing their business.

Qualifications – Full licensees

The qualifications for a full licensee were at the heart of the discussion as to which of the three tier sub-options should be recommended. Under both sub-options, the licence holder would require a Certificate III qualification with the addition of a certain number of specified Certificate IV units. Across all jurisdictions, an overall increased number of units would be required under sub-option 1 while under sub-option 2, the number of units would remain steady for most jurisdictions.

The submissions therefore invariably commented on the qualifications at the full licence level by providing comment on the model preferred. Few commented on the qualifications specifically and these were largely in submissions from peak bodies. While the majority of respondents favoured sub-option 1 and an overall increased number of Certificate IV units, the recommended option is sub-option 2, with the overall number of Certificate IV units representing the status quo for the majority of jurisdictions.

The Certificate IV units proposed for sub-option 2 were based on those technical units currently required by a majority of jurisdictions that licensed at the equivalent level, but excluding any units that were business-related. (A comparison of the proposed Certificate IV level requirements for full licensees under sub-option 2 and current jurisdictional requirements is provided as part of Attachment E.) The fact that these units were required by the majority of jurisdictions provides an indication that there was a shared perception by regulatory authorities of the need for the relevant training to address identified risk(s). Closer examination of the proposed units would appear to support this. Attachment D includes information on the extent to which each Certificate IV unit proposed in sub-option 2 addresses identified risks. It may be seen that the risks identified, together with the complexity of the work required, support the need for skills training at a level more advanced than that at the Certificate III level, which does not provide the necessary training. While there is some overlap in the general skills required for particular licence categories, it may be seen in these cases that the characteristics and application of the relevant materials, and the procedures necessary to complete the work, require essential contextualisation of those skills. As an example, both of the technical units proposed as mandatory for a plumber require that the licensee is able to ensure that the design, materials, equipment and procedures are appropriate for the task, efficient, sustainable and safe, however one deals with the layout of heated, tempered and cold water services while the other relates to the layout of sanitary plumbing, pipe systems and fixtures and has different knowledge and skill requirements.

Approximately 25 per cent of those favouring national licensing and responding individually through the online survey instrument expressed support for the two tier option wherein a Certificate III qualification would be sufficient for a full licence, while approximately 60 per cent of those responding to a question on whether allowing Certificate III licence holders to work unsupervised would give rise to unacceptable risk did not believe it would do so. Balancing these were submissions from members of the Master Plumbers Associations in New South Wales and Western Australia which supported a requirement for a full Certificate IV qualification for full plumbers.

A number of the form submissions, including those from a majority of Master Plumbers' Associations, proposed that a single business unit *BSBSMB401A Establish legal and risk management requirements of small business* be included in the requirements for all categories of full licence. Under the Consultation RIS, this had only been included for the mechanical services licence. The proposal to include the unit for all full licensees was costed and it was estimated that it would provide an additional net annual cost of \$4.5 million and a ten-year net present value cost of \$29.7 million compared with the figures in this RIS. The proposal was designed to address concerns raised that contractors would not be required to have business skills. The overall benefit of including this unit in the qualification requirements of full licensees is questionable, however, as not all full licence holders will choose to run a business and it is possible that requiring it would create an unnecessary impost on those who do not. In line with the policy view above, the inclusion of this unit has not been proposed. It has also been removed from the mechanical services licence requirements as a matter of consistency.

Two submissions, including that from the CEPU, supported the inclusion of additional Certificate IV units in the fire protection licence, being *CPCPFS4014A Design Residential and domestic fire sprinkler systems* and *CPCPFS4012A Commission and maintain special hazard fire suppression systems*, as 'the current structure does not include any technical skills that are involved in this job role'. The first of these units was proposed as part of the suite of Certificate IV units recommended by the IAC and is currently required in two of the three jurisdictions having a full fire protection licence, however the unit relates to design work, which is not captured in the current scope of work. The second unit is only currently required in Victoria and was not proposed in sub-option 1. It is therefore not proposed to include either unit as a requirement.

A small number of submissions, including one from the National Plumbing Services Training Advisory Group, indicated that the unit *CPCPMS3011A Fabricate and install steel pressure piping*, proposed as required for a fully licensed general gasfitter, is not appropriate as it relates to welding and is not relevant to general gasfitting. This unit has therefore been removed.

The impact of the changes to the number of Certificate IV units required by a full licensee provides an annualised ongoing benefit of \$5.56 million per annum and \$36.28 million net present value over ten years.

Qualifications – registered tradespersons

The recommended qualifications for registered tradesperson in the Consultation RIS were primarily at the Certificate III, as proposed by the IAC and that position is maintained for this Decision RIS. Most submissions supported this proposal, apart from the small minority which did not support a registration level at all. There would be no impact from this proposal as all jurisdictions require a similar or identical level of qualification for this licence level.

Qualifications – apprenticeships

All jurisdictions provide for apprenticeship training as the preferred and key pathway to tradesperson registration. Many of those providing submissions and a number of people attending the national information sessions expressed considerable concern that the national licensing proposals was intending to downgrade the role of apprenticeships in licensing training and to support institution-based only pathways. This is not the case. There is no intention of changing the primacy of the apprenticeship as the appropriate pathway to tradesperson registration, combining, as it does, both formal training and on-the-job experience.

Qualifications – provisional licences

The only provisional licences that will apply are those for overseas trained migrants who have been assessed against units of the relevant national training package, found to hold an appropriate level of competence to commence work in Australia and have therefore obtained an OTSR.

Very few respondents commented on the qualification requirements for a provisional licensee, although the Master Plumbers Association of Queensland commented that the OTSR would need ‘to be greatly improved. Currently, many overseas students accepted to Australia as a plumber/drainier/gas fitter do not come close to the required competencies’. This feedback has been passed on to Trades Recognition Australia which manages the assessment process, as has the support indicated by a major fire protection company for a pathway for overseas applicants to obtain a provisional fire protection licence.

3.2.10 Experience requirements

Experience is the period of time a person has undertaken employment (usually paid employment) related to the scope of work authorised by an occupational licence. It is inherently an imprecise measure of skill as the work being undertaken may be of insufficient range and quality and does not, by itself, demonstrate a particular level of expertise that may be comparable across individuals. The Consultation RIS did not propose to include experience requirements for any category of licence (experience, in this RIS, relates to periods of additional time required following completion of an apprenticeship and/or licence, not to the on-the-job component of an apprenticeship).

Currently, in all jurisdictions except South Australia, it is a licence requirement that plumbing and gasfitting (full) licence holders have a specified level of experience.⁶ New South Wales and Queensland also place experience requirements on contractor licensees.⁷ This means that licensed plumbers and gasfitters who wish to obtain a contractor or (full) licence must have a level of experience in the industry before being granted a licence (generally between one and six years, depending on the jurisdiction). Queensland has indicated support for a minimum of one year’s experience for a registered tradesperson before they are able to become a full licensee.

The IAC proposed that experience would not be required under national licensing arrangements, as COAG had agreed in 2006 that competency-based arrangements should be sufficient for qualification purposes and that time-based arrangements provided a variable and uncertain measure of the achievement of skills.

Approximately 77 per cent of those responding on this issue supported the retention of experience however the response was, nonetheless, difficult to interpret. This was largely due to the way in which the question was framed:

‘Under national licensing it is proposed that there will be no experience requirements, enabling persons to be eligible for a licence irrespective of how they have obtained their qualification – via workplace (apprenticeship) or classroom training. Do you agree with this proposal?’

⁶ Based on the mapping exercise undertaken by the National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.

⁷ Based on the mapping exercise undertaken by the National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.

The removal of experience requirements in the proposals outlined in the Consultation RIS did not relate to apprenticeships, but to additional periods of 'time served' before particular licences could be obtained or advancement made. During a process to rationalise the number of questions asked, questions on these two separate issues were inadvertently combined, with the result that very many of those responding clearly thought that they were commenting on a proposition to remove apprenticeships and substitute institution-based learning. The negative response was obviously influenced by this perception and it is therefore difficult to separate views on the two subjects and fully understand the depth of feeling on this issue.

Given the views of COAG on this matter and the lack of any evidence that experience can be adequately measured through any process other than formal assessment of current competency, it is not proposed that experience will be required as an eligibility requirement for any of the trade occupations under national licensing.

3.2.11 Additional testing

Additional testing is carried out by regulators in some jurisdictions before an applicant with the relevant qualification can obtain a licence. It duplicates the assessment process carried out by registered training organisations and may assure regulators that applicants are adequately trained where assessments by registered training organisations are not deemed effective. No additional testing was proposed in the Consultation RIS as it was not considered the role of regulators to duplicate training quality mechanisms.

A clear majority of those who responded to the question of whether were any additional forms of testing that should be included in the proposal indicated that no additional testing should apply. The majority of those supporting the retention of additional testing came from Victoria, where additional regulator testing currently exists, although a submission from the Master Plumbers Association of Western Australia also supported the introduction of additional testing where it does not currently exist.

Regulator testing, following testing by a registered training organisation, could be considered a duplicative and unnecessary process to that of the competency based training system. Although respondents from Victoria indicated that a substantial number of those obtaining the relevant qualification subsequently failed a test given by a regulator, it is considered that this may indicate a need for improvement in the training and assessment system rather than a need for enhanced testing. This would be a matter for jurisdictional training regulators and the Australian Skills Quality Authority. There is no evidence that there should be any change to the recommendation in the Consultation RIS. The impact of the removal of regulator testing is considered relatively minor. As an example, the jurisdiction which conducts most regulator testing spent just over \$250,000 in the 2011/12 financial year on these processes however the cost for applicants is unknown.

3.2.12 Skills maintenance (continuing professional development)

Skills maintenance, a part of licensing eligibility criteria, is the requirement for licensees to undertake additional training each year beyond that required as part of the original eligibility and competency requirements for their licence. It is intended to ensure that existing licensees maintain skills currency, particularly where technology, standards or practices change. It is often based on a specified number of hours or points to be obtained each year. It is separate to voluntary skills maintenance, which is usually undertaken by licensees to improve their skills or gain a form of

accreditation which has market advantages and is frequently encouraged through professional associations

Including professional development as part of the eligibility requirements for a licence can represent an unwarranted burden on licensees and business where the training provided is not required, but undertaken simply to meet the regulatory requirement or where systems arise to exploit the requirement. Mandating continuing professional development is not proposed for inclusion in the licensing arrangements for the plumbing and gasfitting occupations. Instead, when there is a specific education/information issue which may warrant a response from NOLA, it will work with the state and territory regulators to understand the issue and possible responses. The response could include strategies such as information provision, development of guidelines or one-off training requirements. The most appropriate option would be worked through with jurisdictions. There is agreement that ongoing CPD programs, including for example requirements for x hours CPD per year, would not be considered as part of this mechanism. The response would be aimed at achieving the desired outcome (i.e. greater awareness of the issue) with the minimal level of burden. In cases of imminent public health and safety risk, there are also mechanisms to ensure urgent action can be taken.

During the policy development process, views on the need for skills maintenance were divided, both within the Plumbing and Gasfitting IAC and across the interim advisory committees for the various occupational groups. While there was strong support for the concept and acknowledgement that skills development is important in every occupation, it was noted that the training provided is frequently not targeted at areas of individual need or aimed at addressing the consumer risks identified. For these reasons, it was felt that a broad-based approach to including such development as a licensing requirement would be an additional burden on all licensees which would not be warranted. This view was supported by evidence of how such requirements had been applied over time in jurisdictions where skills maintenance is currently mandatory. It was also noted that there can be significant ongoing cost to both practitioners and regulators if skills maintenance is compulsory.

The Consultation RIS did not include a specific question on the skills maintenance proposal however a number of responses from peak organisations, including several Master Plumbers' Associations and their members, the Institute of Plumbing Australia, the Australian Institute of Building and the Master Builders Association supported the need for compulsory skills maintenance, some of them citing the need for 'ongoing education programmes to update practitioners or the need for plumbers to know when standards change'. No evidence was provided to support such a requirement, however. Inclusion of skills maintenance requirements is a cost to licensees and this element should not be incorporated in national licensing in the absence of rigorous evidence of the need for it to be compulsory. Professional associations could continue to encourage a culture of quality training and development for members, above that required to obtain a licence.

The regulation of the wider behaviours and standards to be met by licensees ('conduct requirements') following the attainment of a licence is not within the scope of this reform. Licensees will be responsible for ensuring that they are aware of any relevant changes to jurisdictional legislations or requirements.

3.2.13 Licence period

The periods for which a licence is offered can impact costs, as longer licence periods require fewer applications and therefore less regulatory effort than shorter ones. The Consultation RIS proposed licence periods of one or three years as this reflected the average period currently offered by jurisdictions however the national law provided for a maximum five year term. The proposal in this RIS is for licensees to have the option to renew for one, three or five years.

While the most benefit could be obtained, theoretically, by increasing the licence term to a longer period, or by making a licence permanently valid, in practice a shorter, regular renewal period has a number of benefits, although they are not easily quantifiable. These include ensuring the contact details for each licensee are kept up to date, which is essential for compliance practices, providing the regulator with the opportunity to remove records for those no longer practising, so that number of skilled practitioners can be monitored and allowing for periodic checks on the currency of requirements such as personal and/or financial probity. It provides a set point at which licensees can be provided with information on changed requirements or standards, which may necessitate professional development or other activity and it provides a revenue stream to reimburse regulator activity. It should be acknowledged that the proposal to offer flexible licence periods of one, three or five years will provide a slight increase in complexity for regulators however this will be offset to some degree by the increased flexibility afforded to licensees in being able to choose the licence term.

Although the ten year and perpetual licence terms have benefits of \$8.39 million and \$10.54 million (annualised ongoing impact) respectively, the non-quantifiable benefits associated with a more regular renewal period mean that, on balance, five years is the preferred licence term. The net quantifiable benefit of the five year licence term is \$6.24 million (annualised ongoing impact).

Almost half of the total submissions providing comment on the licence period for contractors supported a five year period for contractors and almost the same percentage supported a three year period for non-contractors. Less than a third supported the three year period for contractors and the five year period for non-contractors, respectively. Relatively small numbers of respondents supported the one year term for either category.

The proposal in this Decision RIS is for flexible arrangements to suit each licensee, with the option to renew for one, three or five years. A discussion of the impact of this change is provided at section 4.1.2.

3.3 Transitional arrangements

3.3.1 Deeming of current licence holders

The Intergovernmental Agreement provides for deeming arrangements for current licence holders to transition to the national licensing scheme. Any licensee who is deemed into the scheme is considered to fulfil the qualification requirements needed for continuing eligibility while they continue to hold that licence. Current jurisdictional licensees will be transitioned into the national licensing system based on the following deeming principles:

No disadvantage – all current licence holders will be able to do tomorrow, under national licensing, what they are able to do today. The deeming process will authorise a licensee to do a similar scope of work under national licensing to that authorised under their current jurisdictional licence.

Current licensees will not be required to undertake any additional training or testing to be eligible for the relevant national licence category.

A jurisdiction will not be required to adopt a national licence category that is not currently licensed by that jurisdiction when national licensing commences, in accordance with clause 4.2(f) of the Intergovernmental Agreement.

Some work currently requiring a licence will not be regulated work under national licensing and a licence will no longer be required for that work.

Adoption of a 'best fit' approach – some licences will not have a direct equivalent and a current category may map to more than one category or a category plus an endorsement. Alternatively, some categories may have a scope of work that is significantly less than that proposed for a national licence and conditions or restrictions may be applied to achieve a best fit. It is necessary to apply restrictions and conditions to ensure licensees are not transitioned to licences that would allow them to undertake a wider scope of work than their current licences allow, as this could pose an unacceptable safety risk to themselves and the community.

Each jurisdiction has undertaken a process to map straightforward, like-to-like equivalences of jurisdictional licences to the relevant national licence category or categories. This mapping, which covers some 80 per cent of current jurisdictional licences, will be incorporated into the jurisdictional transitional legislation.

The exception to this is for those licensees that have conditions or directions applied as a result of disciplinary action; in these cases, the licence will be transitioned 'as is'.

Following is information on the deeming of jurisdictional licences under specific circumstances.

3.3.2 Administrative transactions that were initiated before national licensing begins

All applications for the issue, renewal or restoration of a licence lodged before the national licensing commencement date will continue to be assessed under the relevant jurisdictional licensing legislation in place immediately prior to the commencement of national licensing. The licence will then be transitioned to national licensing.

3.3.3 Disciplinary and court processes and actions

All applications lodged in relation to disciplinary and court processes and actions, including internal reviews, before the national licensing commencement date will continue to be assessed under the relevant jurisdictional licensing legislation in place immediately prior to the commencement of national licensing. The decision will take effect as though it was made under the National Law. If a decision is made under the old law for the disciplinary action and an appeal within the given appeal period has not been made at the time when national licensing commences, the right to appeal will continue under the old law.

3.3.4 Transitioning suspended licensees

All licensees suspended under relevant jurisdictional licensing legislation will continue to remain suspended under national licensing until the suspension expires and during the period of suspension will not be able to operate in any jurisdiction.

3.3.5 3.3.5 Transitioning disqualified licensees and cancelled licences

A person who currently has a cancelled licence, as a result of a disciplinary action, for a specific occupation and licence type in any jurisdiction but a valid licence in another jurisdiction, for the same category of licence, would not be transitioned to a national licensing system licence if the period of the cancellation has not expired or the cancellation decision was made in the last two years. The valid licence, held for the same category of licence, in the secondary jurisdiction would also be considered disqualified or cancelled and the person would not be able to operate in any jurisdiction. Under the new law this person would be treated as an excluded person nationally until the cancellation or disqualification period has expired. It is recognised that this may be taking away a person's right to work; however, this is a fundamental part of the design of the system which is aimed at protecting the public safety and the consumer.

3.3.6 Eligibility for those who initiated training before national licensing begins

An applicant who initiated a qualification or course that was required immediately before the commencement of the National Law will be deemed to have met the qualification-based eligibility requirements provided that, immediately before the commencement date, the applicant was enrolled in the course or program for the issue of an equivalent jurisdictional licence.

3.3.7 Eligibility for those who completed training before national licensing begins

An applicant who completes a qualification or course that was required in a jurisdiction immediately before the commencement of the National Law for a jurisdictional licence will be deemed to have met the skills-based eligibility requirement for a national licence for the period of three years from commencement of national licensing for that occupation.

A person holding a qualification not recognised under national licensing should seek advice from the licensing regulator in that jurisdiction about the possibility of obtaining a national licence. A person moving to a jurisdiction where a national licence will be required to undertake the type of work they do, and who does not hold a qualification, will need to contact NOLA for details on how to apply for the licence. Options will include seeking recognition of prior learning from a registered training organisation. The IAC proposed that a national skill and knowledge currency test should be developed and applied in these circumstances.

3.3.8 Lapsed licences

A licence that has lapsed within the restoration period provided in current jurisdictional legislation preceding the commencement of the national licensing system will be restored upon application under the old law and deemed to an equivalent licence under the National Law.

3.3.9 Current trainees for a restricted licence

A person in training for a restricted licence that would have been granted under current jurisdictional legislation, but that will not exist under the national licensing system, will be eligible to apply for a licence with limitations on the scope of work that make it equivalent to the former jurisdictional restricted licence for a period of up to 12 months following completion of their training.

3.3.10 Consultation

Approximately 90 per cent of submissions which contained responses to the questions on the transitional arrangements indicated support for the proposals. It is proposed that the provisions remain unchanged.

4 Impact analysis

This chapter provides supporting detail about the costs and benefits of the approaches considered in this Decision RIS. It provides a detailed discussion of the impacts and results of the analysis, including sensitivity results and a summary of the costs and benefits by jurisdiction.

An explanation of the approach taken to the analysis, including the method and the specific calculations behind the analysis and a detailed list of all of the inputs and assumptions underlying the analysis are provided at Attachment G.

4.1 Transition and implementation costs of a national licensing system

Before the commencement of the proposed reforms and for the first three years of the system's operation, several one-off costs would be incurred. For licensees, business and consumers, there is a time cost associated with understanding the new system of licensing. For government, there are costs associated with setting up the National Occupational Licensing Authority (NOLA), implementing the national licensing register (central database and national public licensing register) and communicating the changes to licensees and the wider community (i.e. businesses and consumers).

4.1.1 Cost to plumbing and gasfitting licensees

Time for licensees to understand the proposed reforms

Under national licensing, licensees would need to understand the changes and how they are affected by them. Time costs would be incurred either by reading material, attending an information seminar or through some other means.

A majority of those providing feedback on the proposal in the Consultation RIS that 45 minutes might be sufficient to understand the impacts of the change, indicated that more time would be needed for this purpose. The period has now been doubled and it is now assumed that it would take each existing licensee 90 minutes to understand the changes. Based on the assumption that there are over 160,000 plumbing and gasfitting licensees across the jurisdictions, the estimated transition costs to industry would be about \$11.30 million. It is expected that these costs would be incurred throughout the year preceding the operation of national licensing (i.e. 2012–13). As at 1 July 2012, the 10-year net present value (NPV) of this cost is therefore \$10.56 million. The distribution of these costs across jurisdictions is shown in Table 4.1. New South Wales and Queensland incur the highest costs in Australia. This is predominantly driven by licence numbers.

Table 4.1: Cost to licensees from spending time understanding the proposed reforms (\$ million)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Transition cost (undiscounted)	4.55	1.48	2.65	1.67	0.50	0.12	0.25	0.08	11.30
10-year NPV as at 1 July 2012	4.25	1.39	2.47	1.56	0.47	0.11	0.23	0.07	10.56

The estimate of 90 minutes takes into consideration the varying needs of licence holders when they transition to a national licence. It is important to note that no licence holder would be required to change their licence before the expiration of their current licence. Therefore, the 90-minute estimate reflects the potential additional time *over and above* the normal requirements for licence renewal. For some licence holders, changes may be more complex and require more time; for others, changes would be minimal and require less. The estimate in this RIS is intended to be a reasonable average of likely transition requirements.

For further information on the assumptions underlying these estimates, see Attachment G.

4.1.2 Cost to business and consumers

Business value-add reduction

Given that licensees must spend additional time to transition to national licensing (i.e. time for licensees to understand the proposed reforms), they will essentially be less efficient as a result. There is an expectation that if the reforms lead to a one-off efficiency loss for plumbing and gasfitting services, business too will experience a one-off reduction in their profits, or their value-add from plumbing and gasfitting services, as less will be generated from a less efficient labour force.

For the purpose of this RIS, the costs to the business and consumer buying plumbing and gasfitting services are assumed to be one-third of the direct costs to labour. This estimate is based on research conducted by the Australian Bureau of Statistics on income shares for factors of production (labour and capital), which estimate the profit share of total factor income (essentially the return to capital of total income in the economy).⁸ This measure is the best available indicator of the extent to which income is returned to capital (as opposed to being returned to labour in the form of wages).

It is estimated that there would be a potential transition cost to business (and consumers) of \$3.77 million, or \$3.52 million NPV over ten years as at 1 July 2012. The distribution of these costs across jurisdictions is shown in Table 4.2.

Table 4.2: Business value-add lost as a result of transition costs

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Transition cost (undiscounted)	1.52	0.49	0.88	0.56	0.17	0.04	0.08	0.03	3.77
10-year NPV as at 1 July 2012	1.42	0.46	0.82	0.52	0.16	0.04	0.08	0.02	3.52

4.1.3 Costs to government

National Occupational Licensing Authority – set-up costs

A key element of the national licensing model is the establishment of the National Occupational Licensing Authority (NOLA). The role of NOLA would be to develop consistent national policy for obtaining a licence and to administer the national system. In doing this, it must consult with stakeholders in relevant occupational areas and establish occupational licence advisory committees. During the implementation phase, NOLA would regularly consult with a jurisdictional reference group on issues that arise regarding the implementation of the national system and on progress with the development of licence policy.

⁸ Australian Bureau of Statistics 2011, Australian System of National Accounts 2010–11, cat. no. 5204.0, ABS, Canberra.

In its first five years of operation NOLA would have an important role in the following areas:

- supporting the implementation of national licensing for the first-wave occupations (electrical, plumbing and gasfitting, property and refrigeration and air-conditioning)
- supporting the implementation of second-stage occupations, including building occupations
- supporting further reforms related to occupational licensing.
- Based on the above scope, it is clear that only a proportion of licensing authority resources would be required to support the implementation and future policy direction of national licensing for the plumbing and gasfitting occupations. Costs for this Decision RIS therefore reflect this fact, and attribute a proportion of licensing authority costs to national licensing for the plumbing and gasfitting occupations.

The costs to governments of establishing NOLA will be apportioned to each occupation under national licensing (including the first and second stage occupations and any future harmonisation of conduct requirements). It is assumed that the first-wave occupations (electrical, plumbing and gasfitting, property and refrigeration and air-conditioning) will be apportioned 50 per cent of these costs. The remaining 50 per cent will be apportioned to the second stage occupations with 30 per cent to building and building-related occupations, valuers and conveyancers and 20 per cent to proposed future harmonisation of conduct requirements. Further information is provided at Attachment G.

For the plumbing and gasfitting occupations, national licensing costs have been estimated according to the following assumptions:

- 50 per cent of national licensing costs have been attributed to future reforms, including second-wave occupations and conduct reforms
- the remaining 50 per cent of costs are attributed to first-wave occupations, with 35 per cent of these costs allocated to the plumbing and gasfitting occupations.

For more detail on these assumptions, see Attachment G.

The transition and operating costs of NOLA have been budgeted for 2011–12 to 2014–15, and notional funding contributions from each jurisdiction have been agreed but commitments have not been made beyond 30 June 2013. The costs of NOLA have been allocated across jurisdictions according to these agreed contributions by governments (noting these figures are subject to change on the agreement of SCFFR). Table 4.3 illustrates the pro rata distributional effects of the costs (noting that it was agreed that the Australian Capital Territory would not be required to contribute to the cost of NOLA).

Table 4.3: National Occupational Licensing Authority – indicative jurisdictional contributions

Contribution of budget estimate	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Government	33%	25%	20%	11%	8%	2%	0%	1%

The detailed budget of NOLA provided by the COAG National Licensing Taskforce shows that transition costs over and above the ongoing cost of operating NOLA will be incurred in the first three years. This includes the one-off establishment cost of NOLA, the establishment and implementation

costs associated with the national licensing register and higher meeting costs during the transition period.

Based on these figures, it is estimated that the transition costs associated with NOLA are about \$1.64 million. This cost would be incurred across the first three years of operation, leading to a transition cost of about \$1.61 million NPV over ten years. The distribution of costs across jurisdictions is shown in Table 4.4.⁹

Table 4.4: Transition costs associated with the National Occupational Licensing Authority

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Transition cost (undiscounted)	0.54	0.41	0.34	0.17	0.13	0.04	–	0.02	1.64
10-year NPV as at 1 July 2012	0.53	0.40	0.33	0.17	0.12	0.04	–	0.02	1.61

For further information on the assumptions underlying this estimate, see Attachment G.

Costs to transition to a national licensing register (jurisdictional implementation)

Under national licensing, a national licensing register would be established, providing a cross-jurisdictional summary of all the licences issued under national licensing. The national licensing register would be composed of two parts. The first would be a central database that would hold information about licensees, including their status, disciplinary actions and any conditions applied to a licence. The database could only be accessed by jurisdictional regulators and NOLA. This database would be linked to all jurisdictional IT platforms and would be continually updated. The second part, a national public licensing register, would hold a subset of licensing information including licence details (e.g. licence number, licensees name and business contact details), regulated work and disciplinary action. The public register would enable the public to electronically search for licensees who are associated with national occupational licences. This would afford the consumer a greater level of protection. The national licensing register would be the responsibility of NOLA and all jurisdictional regulators would input data to the central database.

Initially, the national public licensing register would include all first-wave occupations in each jurisdiction; it is intended that all subsequent occupations would be included as they are included in the national licensing system. It is therefore assumed that this initial investment in the national licensing register for the four first-wave occupations would have subsequent value for any other occupations that transition to national licensing in the future.

The intention of including the national public licensing register within a national licensing framework is to provide greater transparency, allowing consumers to make an informed choice when engaging licensees. It may also improve both consumer awareness of licensing and consumer confidence in the licensing system.

The estimates of total national licensing register costs for jurisdictions are those costs that are incurred to upgrade current systems at the jurisdictional level to allow IT systems to interface with the central database. As implementation of the system has not yet commenced, there is currently

⁹ NOLA costs are based on estimates agreed by SCFFR in April 2012. Further work is underway on establishing a budget for NOLA in the longer term.

little available data on the full cost of this implementation. For this RIS, a range of costs estimates has been used.

These costs are estimated to be between \$2 million and \$5 million per jurisdiction, with lower costs for small jurisdictions and New South Wales (due to the new system being based on the Government Licensing Service). Given that the national licensing register will be used for several occupations, 50 per cent of this implementation cost has been attributed to future reforms, including second-stage occupations and conduct reforms. Of the remaining 50 per cent, 35 per cent is attributable to the plumbing and gasfitting occupations.

The cost from jurisdictions implementing the national licensing register is \$5.08 million in transition costs or \$4.43 million NPV over ten years as at 1 July 2012. The distribution of costs across jurisdictions is shown in Table 4.5.

The corresponding benefits of a national licensing register are discussed qualitatively in the main body of this Decision RIS.

Table 4.5: National licensing register transition costs

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total ^a
Total costs to government of transitioning to the national licence register (time and upgrade costs – undiscounted transition cost)	2	5	5	5	3.5	3.5	2.5	2.5	29
Total costs attributable to the plumbing and gasfitting occupations under the first stage of reforms (undiscounted transition cost)	0.35	0.88	0.88	0.88	0.61	0.61	0.44	0.44	5.08
10-year NPV of cost attributable to plumbing and gasfitting as at 1 July 2012	0.31	0.76	0.76	0.76	0.53	0.53	0.38	0.38	4.43

Note: The introduction of new enterprise licensing systems in Tasmania and the Northern Territory prior to the commencement of national licensing may reduce this estimate.

^a May not sum due to rounding.

For further information on the assumptions underlying these estimates, see Attachment G.

Government communications

Regulators in each state and territory are expected to develop and implement a communication strategy that seeks to inform various stakeholders of the changes to the licensing of the plumbing and gasfitting occupations. Relevant stakeholders include licence holders, industry associations, training providers, other government agencies with relevant responsibilities and consumer groups. Most regulators already conduct regular consultations with these groups as part of their current responsibilities; however, it is reasonable to expect that this reform would require an increased level of engagement and communication with stakeholders prior to the commencement of the new licensing arrangements.

The cost of this engagement would vary considerably across jurisdictions, depending on the type of engagement conducted and the medium used. There are currently no estimates available from each of the state and territory regulators on what it may cost to complete these activities. One state regulator does however have estimates of the communications costs that were incurred when changes were made to the property industry in its state. This estimate of about \$325,000 has been

used as the basis for estimating this cost to regulators. This cost has been applied in full to the larger states, and half of this cost has been assumed to be incurred in smaller jurisdictions.

Based on these estimates, the communications cost to government is \$1.95 million in transition or \$1.82 million NPV over ten years as at 1 July 2012. The distribution of costs across jurisdictions is shown in Table 4.6.

Table 4.6: Government communications costs during transition to national licensing

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Transition cost (undiscounted)	0.33	0.33	0.33	0.33	0.16	0.16	0.16	0.16	1.95
10-year NPV as at 1 July 2012	0.30	0.30	0.30	0.30	0.15	0.15	0.15	0.15	1.82

For further information on the assumptions underlying these estimates, see Attachment G.

4.2 Direct costs and benefits of national licensing

The costs and benefits in this section are the ongoing impacts that would be incurred each year throughout the operation of national licensing, beginning in the first year of operation: 2013–14. A 10-year NPV is presented in this analysis; however, these impacts are ongoing and could theoretically be considered over a longer time horizon as they will be enjoyed for many years.

While the transition costs outlined in 4.1.1 are quite discrete, many of the ongoing impacts affect several different sectors of the economy (that is, licensees, business and consumers and government). For that reason, this section is presented by type of impact rather than by sector.

4.2.1 Labour mobility

Labour mobility is defined as the extent to which labour is free to move around the economy in response to opportunities in the marketplace. This movement may be the relocation of labour from one region to another, or it may be the extent to which labour is accessible on a short-term or an itinerant basis, as required by firms across the economy (for instance, on short-term contracts, or on a ‘fly-in, fly-out’ basis, which do not require a permanent relocation). In addition, labour mobility should also be considered in the context of movement of workers across state and territory borders, in border towns or regions.

- In the long term, people will move to where there are economic opportunities. How quickly this occurs is uncertain as there is a complex set of factors which can influence the mobility of labour in an economy. Even when there are employment opportunities for workers across the economy, the extent to which these will be filled in the short term is influenced by:
 - the accessibility of information on work opportunities across regions
 - the costs associated with moving to a new job, or of working remotely, away from home for particular periods
 - the availability of infrastructure in a region, including housing, schools, child care, transport, etc. (which is particularly important for workers looking to relocate to a region)

- regulatory settings that may impede the mobility of labour, either directly by prohibiting movement or indirectly by imposing cost barriers that are sufficiently high to deter movement by individuals and businesses.

In making employment decisions, each individual will have a threshold cost of taking up a new employment opportunity (be it relocation or a short-term 'fly-in, fly-out' opportunity). This move need not be a permanent move and could involve temporary relocation to take advantage of a market opportunity. For short relocations or temporary moves, fixed costs – such as licensing – become all the more relevant. This is the cost above which the move will not be cost-effective and will not proceed. This threshold will be related to the potential future benefit for employment in a new jurisdiction (with benefits including both financial and lifestyle factors). It is reasonable to assume that this threshold cost will vary for individuals. Therefore, as costs are lowered, a greater proportion of individuals in an industry would consider moving to a new jurisdiction for employment (an additional factor in this equation is the relative wages across jurisdictions) or taking up opportunities where they arise in other jurisdictions. On this basis, there are potential benefits in seeking to drive down costs from current levels.

Understanding the linkages between labour mobility and costs suggests that reducing costs has the potential to increase this proportion. There are likely flow-on benefits of higher labour mobility across the economy, in the form of economic efficiency improvements occurring through workers finding jobs, opportunities for the underemployed, businesses finding workers, and consumers getting better services.

Quantifying the potential impact of labour mobility

The benefit from improved labour mobility is difficult to quantify. To provide an indication of the potential benefit, this RIS draws on the work undertaken in this area by the Productivity Commission. In their 2009 review, they found that in the face of a terms of trade change, that moving from no mobility of labour (that is, licensees are prohibited from moving interstate) to full labour mobility with no restrictions could lead to a 0.3 per cent increase in real GDP. Based on real GDP in 2011, this would represent about \$4 billion per annum. While the work undertaken by the Productivity Commission is not specific to the impacts of national licensing, it does provide one possible scenario to indicate the potential impacts from an increase in the mobility of labour.

The benefit estimated by the Productivity Commission would not be the same under national licensing because mutual recognition already allows for mobility between jurisdictions. There are also a number of other factors which influence a decision to move locations for work, including personal and family circumstances, permanent or temporary relocation costs and differences in conduct requirements between jurisdictions that will remain in place even after national licensing is implemented. Given these factors and the current mutual recognition arrangements, it is assumed that national licensing would only result in a small proportion of the full labour mobility benefit estimated by the Productivity Commission. For the purposes of this analysis, this proportion is assumed to be 10 per cent. This proportion represents only one possible scenario. Different assumptions around the proportion that could result from national licensing are explored in the sensitivity analysis (at the end of this chapter).

The share of labour mobility benefits would also differ between occupation groups. In the Productivity Commission's report, they note that the labour mobility effect is not uniform across industries. Industries that received a greater than proportionate increase included finance and

insurance, property and business services, and electricity, gas and water services. While these occupation groups could be given a higher weighting, no specific detail is available about the specific distribution that would be appropriate for attributing the labour mobility benefit across occupations. In the absence of any other information, licence numbers have been used as a proxy to estimate the proportion of the benefit attributable to each occupation. Based on the number of plumbing and gasfitting licensees (as a proportion of registered workers), in this analysis about 8 per cent of the benefit is assumed to be attributable to plumbing and gasfitting occupations.

The benefit estimated by the Productivity Commission would only be realised if there was the same terms-of-trade shock to the economy assumed by the Productivity Commission. Given current economic circumstances, some have argued that it is unclear whether this form of shock is likely to eventuate in the near future because the relative price propagation mechanism that was relevant in 2009 may not be as important for Australia in the future. Commodity prices have now eased from their recent peaks and increasing production volumes may be more significant for drawing skilled tradespersons to the resources sector. While change in any economy is reasonably expected, predicting that change, its cause and impact, is often hard (e.g. there were few predictions for the global financial crisis in 2007/08). At the same time though, a *flexible* labour market is far better placed to adjust to any such change when it occurs. This estimate of labour mobility is designed to highlight the potential gains from extending flexibility even if it is difficult to predict what the flexibility is responding to.

The labour mobility benefit from national licensing may also be greater for temporary movements of skilled labour (e.g. for short-term fly-in, fly-out workers) due to the greater impact of fixed licensing costs (as discussed above). This would include the opportunities that arise to assist in the response to regional emergency situations. If short-term movements are what is critical for these reforms, the terms of trade induced shock used in the Productivity Commission's analysis may less accurately reflect the impact under national licensing.

It is important to recognise that the estimated benefit from labour mobility shown in this impact analysis is only one possible scenario. Given that the benefits from labour mobility are expected to be positive, the work undertaken by the productivity Commission has been used as a proxy for the impact under national licensing to demonstrate the potential benefit that may result.

Revised national labour mobility analysis

The Consultation RIS provided an assessment of the benefits caused by increased labour mobility that may be gained from the harmonisation of licences that are being targeted as a part of national licensing. These costings were undertaken by PwC and used results from a methodology developed by the Productivity Commission in its 2009 report regarding mutual recognition (as outlined in the section above).

Following the release of the CRIS, Treasury, the Productivity Commission, the Office of Best Practice Regulation, and PwC reviewed the calculation methodology to ensure it was consistent with methodologies used in the past by the Productivity Commission. In these discussions, it was agreed that the calculations should involve pro-rating the labour mobility benefit for each occupation on the basis of registered employment, rather than total employment as was done in the Consultation RIS.

The change relates to the assumption used to work out the proportion of the labour mobility benefit that can be attributed to reforms of a specific occupation. In the Consultation RIS, the proportion was calculated by taking the number of licence holders and dividing by the total number of workers

in the economy. In light of further information from the Productivity Commission, this proportion has now been calculated using total registered workers instead of the total number of workers in the economy. This results in an increase in the benefit of labour mobility as outlined in the table below. This change is included in this Decision RIS.

Table 4.7: Benefits from improved labour mobility under national licensing – all options

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing benefit	13.08	4.64	6.79	4.98	1.38	0.42	0.59	0.24	32.12
10-year NPV as at 1 July 2012	85.85	30.46	44.57	32.69	9.05	2.76	3.84	1.59	210.81

For full details on all of the assumptions used to estimate the labour mobility benefit, see Attachment G.

A sensitivity analysis of the labour mobility impacts has been provided later in this chapter (See section 4.1.7). The benefits from labour mobility represent a significant share of the total benefits attributed to national licensing. Given the exact impact of labour mobility is also uncertain (as it is only one possible scenario), it is appropriate to conduct sensitivity analysis of this impact.

4.2.2 Removal of multiple licences held across jurisdictions

Under current licence requirements, licence holders must apply for a new licence if they wish to work in another state or territory. Initially, this involves both a time cost and the payment of additional licence fees. Under mutual recognition, a licence issued in one jurisdiction can be equivalent to a number of licences in another jurisdiction, with associated additional licence fees or costs for the applicant. Subsequently, that person would need to renew their licence(s) in the jurisdiction(s) in which they are held, again involving time and fees. This is the case even when mutual recognition of a licence is granted (i.e. when a regulator determines that the applicant has an equivalent licence). These costs would apply regardless of how effectively mutual recognition is operating.

A key benefit of national licensing would be the removal of the requirement for licence holders to hold more than one licence to work in multiple jurisdictions. It would also remove the need to apply for a new licence when they relocated, as long as that licence holder held a valid national licence.

In order to estimate this benefit for licensees, data provided by jurisdictional regulators has been used to estimate the proportion of licence holders in each jurisdiction who also hold a licence in other jurisdictions. Table 4.8 shows this data, which will pick up those licence holders who are transitioning from one jurisdiction to another and who may hold onto a second licence until it expires, as well as those who hold multiple licences over a long term (e.g. if they are working on a fly-in, fly out basis or live in a border region).

Table 4.8: Proportion of licence holders in each jurisdiction who also hold a licence in another jurisdiction

Percentage	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Existing licence holders	4%	2%	4%	12%	6%	12%	33%	10%

The reduction in cost associated with holding multiple licences can therefore be estimated by taking the total number of licence holders incurring the cost and estimating the avoided costs for these licence holders. This has been done using:

- the number of licence holders who would be affected by the changes, which is estimated using the proportion of licence holders estimated as being required to hold more than one licence under current arrangements (as shown in Table 4.8)
- data on plumbing and gasfitting licence fees in each jurisdiction and an estimate of the time to apply for a licence (which would be avoided costs).

It is important to note the potential for mutual recognition applications to be more onerous (in terms of time and documentation required) than standard applications. To reflect this, the time to apply for a licence is assumed to be higher under mutual recognition. See Attachment G for more detail on the approach to calculating this benefit and the assumptions underlying it.

Using this approach, it is estimated that the total cost of holding multiple licences is about \$1.35 million per annum or \$8.78 million NPV over ten years as at 1 July 2012. These costs would not be incurred under a national licensing approach. The distribution of this benefit across jurisdictions is shown in Table 4.9. Note that the benefits in this table have been attributed to the home state of licensees. For example, the benefit to New South Wales is the benefit to licensees who predominantly live in New South Wales but also hold licences in other jurisdictions. This attribution has been calculated based on migration flows. For further information on the assumptions underlying these estimates, see Attachment G.

Table 4.9: Benefit to licensees of no longer holding multiple licences across jurisdictions

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing benefit	0.34	0.27	0.35	0.11	0.08	0.04	0.08	0.07	1.35
10-year NPV as at 1 July 2012	2.24	1.75	2.27	0.72	0.55	0.27	0.53	0.46	8.78

The impact on government

While removing the requirement to hold multiple licences delivers a direct benefit for licence holders, it represents a cost to government through reduced revenue (where there are fewer licences issued). Regulators would also be expected to realise some savings from a reduction in the number of licences issued, as they would no longer need to spend time processing those licences. It is noted that jurisdictional regulators will still incur the costs associated with compliance activities for licence holders who continue to work in their jurisdictions, but who are based (and pay their licence fee) in another jurisdiction but the converse would also be true, where licence holders paying a fee in one jurisdiction would perform work in other jurisdictions and therefore compliance costs would not be incurred for them. This impact may lead to a net cost for government, as the loss in revenue may be greater than the savings realised.

This cost is estimated to be about \$0.82 million per annum (annualised across ten years) or \$5.32 million NPV over ten years as at 1 July 2012. The distribution of this cost across jurisdictions is shown in Table 4.10.

Table 4.10: Impact on government from the removal of multiple licences across jurisdictions

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing cost	0.39	0.05	0.13	0.06	0.07	0.02	0.10	0.002	0.82
10-year NPV as at 1 July 2012	2.55	0.32	0.83	0.37	0.48	0.12	0.65	0.01	5.32

4.2.3 Flexible licence periods

Under current jurisdictional licensing arrangements, each state and territory has different licence periods, ranging from one year to five years. The current licence periods for each jurisdiction are shown in Table 4.11. The Consultation RIS proposed moving to a standard three year period and provided costing on that basis, however consultation feedback supported a more flexible range of licence periods. The proposal in this document therefore provides for licensee choice of one, three or five year terms for each national licence.

Table 4.11: Current licence period across each jurisdiction (in years)

Jurisdiction	Contractor	Worker – (full) licence holder	Worker – tradesperson registration
NSW	1 or 3	3	3
VIC	N/A	1	3
QLD	1	5 (except plumbing, fire occupational licence: 3)	1
WA	3	3	3
SA	1	3	3
TAS	plumbing 1 or 3 gasfitting 1	plumbing 1 or 3 gasfitting - 3	plumbing 1 or 3 gasfitting – N/A
ACT	1 or 3	1 or 3	1 or 3
NT	N/A	plumbing: 3 gasfitting 5	plumbing – 3 gasfitting – 5

In general terms, both licensees and jurisdictions benefit from a longer licence period, as licensees save time in applying less frequently and jurisdictions do not have to process the applications. Introducing a choice of licence periods will benefit licensees as the flexibility will allow them to tailor their application to their individual needs and resources, however there will be a small increase in complexity for those jurisdictions not currently offering such a range of licence terms and it may make it more difficult for them to predict revenue. Table 4.12 provides indicative costings representing the benefit to licensees if all licensees chose to select the maximum licence period of five years. These figures would represent a potential overestimate as there will be a variety of reasons why a licensee may not wish to avail themselves of the savings that might be presented should they opt for the longer period. It is unclear what proportion of licence holders would choose each licence duration and therefore difficult to cost.

Table 4.12: Benefit to licensees under a standard licence period of five years

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing impact	0.77	2.98	1.55	0.58	0.24	0.05	0.06	0.007	6.24
10-year NPV as at 1 July 2012	5.02	19.44	10.10	3.77	1.54	0.35	0.41	0.05	40.68

As a comparison, Table 4.13 shows the impact of moving to a set three-year period. The jurisdictions not shown in the table would experience no impact as their licence periods are already set at three years. Tables 4.14 and 4.15 show impacts under a ten year licence period and a perpetual licence respectively.

Table 4.13: Benefit to licensees under a standard licence period of three years

\$ million	VIC	QLD	SA	NT	National
Annualised ongoing impact	2.11	1.13	0.14	(0.005)	3.37
10-year NPV as at 1 July 2012	13.74	7.35	0.92	(0.03)	21.99

Table 4.14: Benefit to licensees under a maximum 10 year licence period

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing impact	1.35	3.64	1.87	1.01	0.31	0.09	0.11	0.017	8.39
10-year NPV as at 1 July 2012	8.78	23.72	12.17	6.59	2.00	0.60	0.72	0.11	54.69

Table 4.15: Benefit to licensees under a perpetual licence

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing impact	1.92	4.29	2.18	1.44	0.38	0.13	0.16	0.026	10.54
10-year NPV as at 1 July 2012	12.54	27.99	14.23	9.42	2.47	0.86	1.03	0.17	68.71

4.2.4 Licence tiers and qualification requirements

Two tier option

Removal of Certificate IV units

Under the status quo, to be eligible for a (full) licence, the applicant must complete a number of specified Certificate IV units in addition to the Certificate III qualification. Depending on the jurisdiction, these include up to four common units and a varying number of units that are specific to the particular licence category being applied for. Under the two tier option, Certificate IV units would only be required if the applicant were applying for a restricted (disconnect/reconnect) licence or an endorsement on their licence. To gain a non-restricted, non-endorsed licence, no Certificate IV units would be required.

Under the two tier option, the cost of undertaking Certificate IV units to gain a (full) licence would be removed, as the units would no longer be required. A cost saving (in period of fees and time) would therefore be experienced by all licensees applying for a new (full) licence, which allows them to work unsupervised. In practice, there are a number of skills which may not be covered, or covered to sufficient depth, in the training provided at the Certificate III level, based on stakeholder feedback. There is a likelihood that regulators and industry would seek to introduce a number of new endorsements to cover these skills. It is not possible to cost this impact as it is not possible to ascertain the number of additional endorsements that might be sought, however there is a risk that, in removing Certificate IV units that are currently required in a majority of jurisdictions, in order to achieve a 'simple' skills alignment with other trades, increased regulatory complexity could be an unintended consequence.

The following sections provide estimates of the benefits to licensees of removing the requirement for Certificate IV units. Implicit in this analysis is the assumption that these competency units are only undertaken for compliance and are not needed to develop the necessary skills to undertake regulated work. This assumption is strongly challenged by industry and regulator stakeholders. Section 3.2.8 provides further information on the skills and risks covered at the Certificate IV level for the specified units.

The impacts in this section should be considered in the context of the potential safety and consumer protection outcomes that could result from changes to qualification requirement. This is discussed later in this chapter.

Certificate IV units common across all licence categories

There are currently four Certificate IV units that are common across all licence categories; however, each jurisdiction varies in how many they require. Under the two tier model, none of these four units will be required.

Based on the number of new (full) licence holders, the benefit to industry of removing the four Certificate IV units that are common to all licence categories is \$10.75 million per annum (annualised over ten years) or \$70.21 million NPV over ten years as at 1 July 2012. The distributional impacts of this change are shown in Table 4.16, which provides the benefit that would accrue to each jurisdiction. As illustrated, the largest savings would be achieved in Western Australia, and Victoria and Queensland would also receive large benefits. These states have a high number of licensees at the (full) licence level and therefore have a much higher benefit than other states.

Table 4.16: Benefit of removing the Certificate IV units that are common across all licence categories

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing benefit	0.40	2.22	2.37	4.00	0.63	0.48	0.45	0.20	10.75
10-year NPV as at 1 July 2012	2.60	14.50	15.50	26.13	4.14	3.14	2.95	1.28	70.21

For a detailed list of all the assumptions that relate to this benefit, and their associated references, see Attachment G.

Certificate IV units specific to a licence category

Specific units are those that are required by certain jurisdictions only for a particular licence category, and must be completed over and above those units that are common to each licence category. For example, for a water plumber licence, some jurisdictions require *CPCPWT4011A Design and size heated and cold water services and systems*. The number of specific units currently required varies according to the licence category and also differs between jurisdictions. Under the two tier option, none of these units will be required.

Given that the specific unit requirements vary across licence categories, assumptions have been made about which licence categories plumbers and gasfitters will apply for. In this regard, it is assumed:

- eighty per cent of licensees hold a licence covering water, sanitary plumbing and drainage

- all other licensees (20 per cent of licensees) hold a licence that requires one Certificate IV unit (given the uncertainty around which and how many licence categories the rest of the industry may hold, one unit has been assumed as a conservative estimate).

Bringing together these assumptions and the information above, the benefit to industry of removing the Certificate IV units that are specific to a licence category is \$24.56 million per annum (annualised over ten years) or \$160.15 million NPV over ten years as at 1 July 2012. The distributional impacts of this change are shown in Table 4.17, which provides the benefit that would accrue to each jurisdiction. As illustrated, the largest savings would be achieved in Victoria, Queensland and Western Australia, as they have a high number of (full) licence holders.

Table 4.17: Benefit of removing the Certificate IV units that are specific to a licence category

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing benefit	1.70	4.73	6.02	8.53	1.86	0.51	0.78	0.42	24.56
10-year NPV as at 1 July 2012	11.06	30.88	39.28	55.64	12.16	3.34	5.08	2.72	160.15

For a detailed list of all the assumptions that relate to this benefit, and their associated references, see Attachment G.

Overall impact of changes to Certificate IV units under the two tier option

Bringing together the impacts in Tables 4.16 and 4.17 (that is, changes to both common units and category specific units), the overall benefit to each jurisdiction from removing Certificate IV units is shown in Table 4.18.

Table 4.18: Overall benefit from changes to Certificate IV units under the two tier option

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing benefit	2.09	6.96	8.40	12.53	2.50	0.99	1.23	0.61	35.31
10-year NPV as at 1 July 2012	13.66	45.38	54.78	81.77	16.29	6.47	8.02	3.99	230.37

Removing tradesperson registration licences

A key component of the two tier option was the removal of the need to license tradesperson registration holders who work under supervision and who are not able to sign off on technical compliance or contract with the public. The removal of this licence would mean that all licensees currently holding a tradesperson registration licence could choose to become a (full) licence holder (or equivalent in each jurisdiction – for example, in Queensland this category is known as a ‘provisional’ licensee). This would allow them to work independently without supervision and sign off on the technical compliance of completed work. This would be a significant change to the structure of the industry and could have an impact on the level of competition and, therefore, wages.

Although data on wages in the plumbing and gasfitting industry is limited, at least one source suggests that there is a wage differential between tradesperson registration holders and plumbers

and gasfitters holding a (full) licence. This differential is estimated to be between \$2.38 and \$10.40 per hour.¹⁰

It is not clear the extent to which this wage differential is driven by licensing distinctions or other factors. To the extent that licensing plays a role, there appear to be a range of potential impacts associated with effectively merging the two licence types.

The first potential impact is for the wage rate of each licence group to equalise to the same level. Given the limited information on current wages and the uncertainty surrounding the impact of this change, we can only speculate about the level at which the wage would potentially equalise. At the extremes, an equalisation of wage rates could occur as follows:

- The average wage for the new (merged) (full) licensees could fall to the wage that is currently earned by tradesperson registration holders.
- The average wage for the new (merged) tradesperson registration holders could increase to the wage that is currently earned by (full) licensees.

Alternatively, the average wage rate could equalise at a point somewhere in between the current wage rates for tradesperson registration holders and (full) licensees.

The second potential impact is a narrowing of the wage differential. As above, we can only speculate about what this impact would look like. The net effect will depend on how the wages change. The potential scenarios are:

- the wage rate only increases for those currently holding a tradesperson registration
- the wage rate only decreases for those currently holding a (full) licence
- the wage rate for those currently holding tradesperson registration increases and those currently holding a (full) licence decreases.

The structure of the plumbing and gasfitting industry may affect any potential change in the wage differential. Currently, (full) licensees may be more likely to operate as independent sole traders conducting small retail jobs, whereas tradesperson registration holders may be more likely to work on large commercial and industrial projects. If this is the case, these licence holders would be operating in different segments of the plumbing and gasfitting market. As there may not be direct competition between plumbers and gasfitters in one segment with those in another, the wages of these groups may be less interrelated. If the wage differential remains, however, there could be some scope for plumbers and gasfitters to move between the market segments and change the competitive dynamics of the industry.

Any of the impacts outlined above could be possible and the extent to which the market structure would affect labour mobility and wages is difficult to identify. If the extreme-impact scenarios occur, the magnitude of the effect would be quite significant. However, if either wage rates change or one changes by only a small amount, the impact could be quite minor. While the uncertainty surrounding this impact means it has not been quantified, some information can be provided on the direction of

¹⁰ [PayScale Australia 2011, Plumbing contractor industry wages, hourly wage rate by job](#). Individuals reporting: 336.

the impact. When a wage rate rises, it pushes up the costs of providing plumbing services. The opposite is true for a wage rate fall, which would decrease the costs of providing plumbing services.

Another related impact from removing the tradesperson registration licence is the ability to free up more resources to address skills shortages in the plumbing and gasfitting industry. Plumbers are on Australia's Skilled Occupation List for 2012, suggesting that Australia needs additional labour in this market and is open to skilled migration to fill those gaps. If more trained and qualified plumbers are able to work as (full) licence holders, it is possible that the labour shortages in this industry may ease.

Three tier, sub-option 1

Changes to Certificate IV units

Currently, to be eligible for a (full) licence, the applicant must have completed particular Certificate IV units. Depending on the jurisdiction, these include up to four common units and a varying number of units that are specific to the particular licence category being applied for.

The key difference between the three tier option and the status quo is that, under the three tier model, all licensees across Australia would have to complete the same number of common and category-specific units to be eligible for a (full) licence. Under the sub-option with four common units, for some jurisdictions the required number of units would be higher than current requirements, whereas in others it would be the same or lower.

To be eligible for a (full) licence, the required units under this sub-option would be:

- four units that are common across all licence categories
- a varying number of units that are specific to the particular licence category being applied for.

The impacts in this section should be considered in the context of the potential safety and consumer protection outcomes that could result from changes to qualification requirement. This is discussed in section 4.1.4.

Certificate IV units common across all licence categories

In jurisdictions that currently require fewer than four of the Certificate IV units that are common across all licence categories, this option would increase the cost of obtaining a new (full) licence because more units would need to be completed. To complete these additional Certificate IV units, there would be a fee cost and a time cost for licensees, the level of which varies across jurisdictions. Based on the current number of new (full) licensees, an increase in the common units required for a (full) licence would lead to a cost to licensees of \$11.24 million per annum (annualised over ten years) or \$73.29 million NPV over ten years as at 1 July 2012. The distributional impacts of this change are shown in Table 4.19, which provides the cost that would accrue to each jurisdiction. The largest costs would be incurred by New South Wales, Victoria, Queensland and Western Australia because there are a high number of (full) licensees in those jurisdictions. Tasmania is not affected because it already requires all four common units. It should be noted that undertaking a full qualification at the Certificate IV level is often less expensive than undertaking a large number of separate units, due to the funding models used in many jurisdictions. However, no jurisdiction

currently requires a full Certificate IV qualification to obtain a full licence and no such requirement was supported through the Interim Advisory Committee (IAC) or in the vast majority of submissions.

Table 4.19: Cost of increasing the number of Certificate IV units that are common across all licence categories

\$ million	NSW	VIC	QLD	WA	SA	ACT	NT	National
Annualised ongoing cost	1.21	2.25	2.41	4.06	0.64	0.46	0.20	11.24
10 year NPV as at 1 July 2012	7.90	14.70	15.71	26.49	4.19	2.99	1.29	73.29

For a detailed list of all the assumptions that relate to this cost, and their associated references, see Attachment G.

Certificate IV units specific to a licence category

Specific units are those that are required only for a particular licence category and must be completed over and above those units that are common to each licence category for a (full) licence. For example, for a water plumber licence, some jurisdictions currently require *CPCPWT4011A Design and size heated and cold water services and systems*. The number of specific units currently required varies according to the licence category and also differs between jurisdictions. The number of units proposed under the three tier model can be seen in Table 4.20. To be conservative in comparing the costs and benefit of each option, this table excludes units that are relevant for an endorsement under any of the options.

Table 4.20: Number of Certificate IV units required under the three tier model for specific licence categories of a (full) licence

Licence category	Number of Certificate IV units
Plumber (water and sanitary)	2
Drainer	3
General gasfitter	2
Gasfitter Type B	1
Fire protection	1

Note: Excludes units relevant for an endorsement under any option.

This change would lead to a cost in some jurisdictions and a benefit (reduced cost) in others. The net impact depends on whether the jurisdiction currently requires:

- fewer units than proposed, meaning a cost would result as licensees must complete more units under this sub-option to become a (full) licensee
- more units than proposed, meaning a benefit would result as licensees must complete fewer units under this sub-option to become a (full) licensee.
- Given that the specific unit requirements vary across licence categories, to estimate the cost or benefit the following assumptions have been made about which licence categories people apply for:
- eighty per cent of licensees hold a licence covering water plumbing, sanitary plumbing and drainage (which may be under one licence)

- all other licensees (20 per cent of licensees) hold one licence (given the uncertainty around which and how many licence categories the rest of the industry may hold, we have conservatively assumed there is no impact on these licensees).

These assumptions are combined with:

- an estimate of the number of new (full) licence holders per annum
- the fee cost, time cost and number of Certificate IV units, which varies across jurisdictions.

Bringing together this information, the number of category-specific units required by most licensees (80 per cent) is estimated to be four. Comparing this to the number of units required currently, all jurisdictions except the Australian Capital Territory would experience a benefit because they currently require more than four units. The Australian Capital Territory already requires most licensees to complete four units, meaning that they would not be impacted. The impacts are shown in Table 4.21.

Table 4.21: Impacts of the Certificate IV units required that are specific to a licence category

\$ million	NSW	VIC	QLD	WA	SA	TAS	NT	National
Annualised ongoing impact	0.32	0.90	1.93	1.63	0.77	0.10	0.08	5.73
10 year NPV as at 1 July 2012	2.11	5.88	12.57	10.60	5.03	0.64	0.52	37.34

For a detailed list of all the assumptions that relate to this cost, and their associated references, see Attachment G.

Overall impact of changes to Certificate IV units under three tier, sub-option 1

Bringing together the impacts in Tables 4.20 and 4.21 (that is, changes to both common units and category specific units), the overall impact from changes to Certificate IV units varies across each jurisdiction. Table 4.22 shows the impact for each jurisdiction. Costs are demonstrated in brackets.

Table 4.22: Overall costs from changes to Certificate IV units under three tier, sub-option 1

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing cost	(0.89)	(1.35)	(0.48)	(2.44)	0.13	0.10	(0.46)	(0.12)	(5.51)
10-year NPV as at 1 July 2012	(5.79)	(8.82)	(3.14)	(15.90)	0.84	0.64	(2.99)	(0.78)	(35.95)

Availability of Certificate IV units

Some stakeholders have expressed concern over the current availability of Certificate IV units. Under the status quo, if there are no places available for a tradesperson registration holder to undertake Certificate IV units, their progression to the (full) licence level could be delayed. If availability is limited, under the three tier model, increasing the number of units required could further increase this delay and impose a cost on licence holders. Additional costs could also be felt if places are not available locally, as additional travel costs could be incurred.

Information on the extent of the availability problem is limited and submissions did not provide additional information or evidence relating to this, so these impacts have not been included in the quantitative analysis. If Certificate IV units are not 100 per cent available, this could also affect the results quoted in Tables 4.17 and 4.20.

Three tier, sub-option 2

Changes to Certificate IV units

Similar to the first sub-option under the three tier model, sub-option two (the preferred model) requires Certificate IV units to be completed to obtain a (full) licence. However, the number of Certificate IV units required that are common across licence categories is only two under this option.

The category specific units under this sub-option are the same as under sub-option one, with the exception that two units are subject to an endorsement rather than being required for all licensees. Given there is limited information of the number of licensees that hold endorsements and no additional information was provided during the consultation period, this impact has not been accounted for in this analysis.

The impacts in this section should be considered in the context of the potential safety and consumer protection outcomes that could result from changes to qualification requirement. This is discussed in section 4.1.4.

Certificate IV units common across all licence categories

In jurisdictions that currently require fewer than two of the Certificate IV units that are common across all licence categories, this option would increase the cost of obtaining a new (full) licence because more units would need to be completed. This is the case for New South Wales, which only requires one unit. Conversely, in jurisdictions that currently require more than two of the Certificate IV units that are common across all licence categories, this option would decrease the cost of obtaining a new (full) licence because fewer units would need to be completed. This is currently the case in Tasmania, where all four common units are required. All other jurisdictions already require two units and are therefore not impacted.

The impacts on New South Wales and Tasmania are shown in Table 4.23.

Table 4.23: Impacts of the Certificate IV units required that are common across all licence categories

\$ million	NSW	TAS	National
Annualised ongoing impact	(0.40)	0.24	(0.16)
10-year NPV as at 1 July 2012	(2.63)	1.57	(1.07)

For a detailed list of all the assumptions that relate to this cost, and their associated references, see Attachment G.

Certificate IV units specific to a licence category

As discussed, the category-specific units required under this sub-option are the same as for sub-option 1 detailed above. As outlined above, the changes to category-specific units would impact all jurisdictions except the Australian Capital Territory. The impacts are shown in Table 4.24.

Table 4.24: Impacts of the Certificate IV units required that are specific to a licence category

\$ million	NSW	VIC	QLD	WA	SA	TAS	NT	National
Annualised ongoing impact	0.32	0.90	1.93	1.63	0.77	0.10	0.08	5.73
10 year NPV as at 1 July 2012	2.11	5.88	12.57	10.60	5.03	0.64	0.52	37.34

Overall impact of changes to Certificate IV units under three tier, sub-option 2

Bringing together the impacts in Tables 4.23 and 4.24 (that is, changes to both common units and category specific units), the overall effect on each jurisdiction from changing the required number of Certificate IV units is shown in Table 4.25. When considering the changes overall, some jurisdictions would incur a cost and others would receive a benefit. To demonstrate this in Table 4.23, costs are shown in brackets. The overall impact at a national level is positive. This is in contrast to the overall impact under sub-option 1, where many jurisdictions would incur a cost.

Table 4.25: Overall impacts from changes to Certificate IV units under three tier, sub-option 2

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing benefit	(0.08)	0.90	1.93	1.63	0.77	0.34	-	0.08	5.56
10-year NPV as at 1 July 2012	(0.53)	5.88	12.57	10.60	5.03	2.20	-	0.52	36.28

4.2.5 Reducing the costs of regulatory requirements

Removal of most personal probity checks for (full) licence holders and tradesperson registration holders

Under national licensing, the majority of personal probity requirements would be removed for all non-contractor licences (this includes (full) licence holders and tradesperson registration holders). In jurisdictions that currently impose personal probity checks for non-contractor licence applicants, a benefit would be gained by avoiding the cost of probity checks. Under the base case, personal probity requirements are currently imposed for (full) licence holders in all jurisdictions except Queensland and South Australia. For tradesperson registrations, they are imposed in New South Wales, Western Australia and the Northern Territory. Under national licensing, the majority of existing personal probity requirements will not apply to individuals, with the exception of those that ensure an applicant has not carried out, engaged others to carry out or advertised/offered to carry out work unless they are licensed or exempt.¹¹ In these jurisdictions, one or more of the following personal probity costs are imposed on licence applicants:

- the time to obtain two references
- fees for obtaining a police check

These costs would be saved under national licensing by new licence holders applying for a licence. This is estimated to lead to a benefit to licensees of \$0.9 million per annum (annualised over ten

¹¹ Based on the mapping exercise undertaken by the COAG National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing. Queensland and South Australia have also advised that they do not impose any personal probity for (full) licence holders or registered tradespersons.

years) or \$0.59 million NPV over ten years as at 1 July 2012. The distribution of benefits across jurisdictions is shown in Table 4.26.

Table 4.26: Benefits from the removal of personal probity requirements for non-contractors

\$ million	NSW	VIC	WA	TAS	ACT	NT	National
Annualised ongoing benefit	0.01	0.004	0.08	0.0008	0.001	0.001	0.09
10-year NPV as at 1 July 2012	0.05	0.02	0.49	0.005	0.003	0.005	0.59

Attachment G provides further information on the assumptions underlying these estimates, and their associated references.

It is estimated that the jurisdictional regulators will also benefit from removing many probity requirements for workers due to the time taken to consider this information during application processing. The benefit to regulators has not been included in the cost–benefit analysis.

Removal of duplicate testing

When applying for a plumbing and gasfitting licence in Victoria, the Victorian regulator (the Plumbing Industry Commission) currently requires applicants to undergo additional testing. Three tests can be applied:

- a practical skills test
- a registration exam
- a licence (theory) exam.

Licensees are generally only required to sit one of these tests, which is likely to be either the registration or licence exam. This test is in addition to qualification requirements and would be removed under a national licensing model, thereby benefiting new applicants who would no longer incur costs associated with this test. The avoided costs include the fees for the test and the time required to sit it. The saving to new licence holders in Victoria of this change is estimated to be \$0.23 million per annum (annualised over ten years) or \$1.51 million NPV over ten years. For further information on the assumptions underlying these estimates, see Attachment G.

In other jurisdictions completion of the relevant qualification requirements completes licensing requirements. According to the mapping exercise undertaken by the National Licensing Taskforce, the Australian Capital Territory also requires additional testing. The impact in the Australian Capital Territory has not been quantified. Given the relative size of the Australian Capital Territory, duplicate testing is not expected to have a significant impact.

Removal of need for apprentices to apply for a licence

Under national licensing, apprentices in Western Australia and South Australia will no longer be required to apply for a licence, resulting in a saving for apprentices in these jurisdictions. The six remaining jurisdictions do not licence apprentices for this occupation. This estimated saving is based on the number of apprentice licence applications, the time cost of applying for a licence and current licence fees for apprentices. Based on these assumptions, the benefit to apprentices is estimated to be \$0.01 million per annum or \$0.05 million NPV over ten years as at 1 July 2012. The distribution of benefits across jurisdictions is shown in Table 4.27.

Table 4.27: Benefit to licensees from the removal of apprentice licensing

\$ million	WA	SA	National
Annualised ongoing benefit	0.004	0.004	0.01
10-year NPV as at 1 July 2012	0.024	0.023	0.05

Removing skills maintenance requirements upon renewal

In the Northern Territory, upon renewing a plumbing and gasfitting licence, all licensees are required to prove that their skills have been maintained since they last applied for a licence. Undertaking plumbing and gasfitting work during the licence period is sufficient to meet this requirement. This can be demonstrated to the regulator by providing statements from a relevant employer or providing proof of the number of certificates of compliance certified.

Under national licensing this requirement would be removed, and there would be no licensing requirements for skills maintenance. Therefore, licensees would benefit from no longer having to spend time putting together the relevant documentation and essentially disclosing that their skills have been maintained. It is estimated that the time saving would be about ten minutes per licensee upon renewal. Based on this estimate and the number of existing licensees, the benefit to the Northern Territory from this change is estimated to be \$0.003 million per annum or \$0.02 million NPV over ten years as at 1 July 2012. Attachment G provides further information on the assumptions underlying this estimate, and their associated references.

Removing experience requirements

Currently, in all jurisdictions except South Australia, it is a licence requirement that plumbing and gasfitting (full) licence holders have a specified level of experience.¹² Similarly, New South Wales, Queensland and Tasmania also place experience requirements on contractor licensees.¹³

This means that plumbers and gasfitters who wish to obtain a contractor or (full) licence must have a level of experience in the industry before being granted a licence (generally between one and six years depending on the jurisdiction).

Under national licensing, experience requirements would be removed, and plumbers and gasfitters could obtain a contractor or (full) licence sooner if they wished to do so.

The direct benefit to licence holders of removing experience requirements could be measured by the wage difference between tradesperson registration holders and contractors/ (full) licence holders. This is the value that licensees would gain by progressing to a full or contractor licence earlier. Although data on wages in this industry is limited, at least one source suggests that there is a wage differential between tradesperson registrations and (full) licence holders of between \$2.38 and \$10.40 per hour.¹⁴ Note, however, that this benefit would only be realised by plumbers and gasfitters who otherwise would not progress to a contractor or (full) licence solely due to the experience requirements in place.

¹² Based on the mapping exercise undertaken by the National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.

¹³ Based on the mapping exercise undertaken by the National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.

¹⁴ [PayScale Australia 2011, Plumbing contractor industry wages, hourly wage rate by job](#). Individuals reporting: 336.

The wage differential between workers and contractors cannot be fully attributed to the experience requirement, as a variety of factors could affect wage levels. While the exact impact of the experience requirement is unknown, some assumptions were made to provide an indicative estimate of the potential saving from its removal. Of the wage differential, if only 50 cents is assumed to be attributable to experience requirements and assuming that contractors are currently missing out on this for at least one year, the estimated impact would be \$5.18 million per annum (annualised over ten years) or \$33.79 million NPV over ten years as at 1 July 2012. No comment was received on this assumption in the Consultation RIS and it is therefore retained. The distribution of benefits across jurisdictions is shown in Table 4.28.

Table 4.28: Benefit to contractors and (full) licensees from the removal of experience requirements

\$ million	NSW	VIC	QLD	WA	TAS	ACT	NT	National
Annualised ongoing benefit	2.33	0.47	1.28	0.90	0.08	0.08	0.04	5.18
10 year NPV as at 1 July 2012	15.20	3.09	8.32	5.87	0.53	0.53	0.25	33.79

These estimates are produced on the basis that licensees that can become contractors or full licence holders more quickly as a result of these reforms, would continue to provide plumbing and gasfitting services before and after the change, and that any time spent dealing with contractors/full licensees prior to the change would be matched by time spent as a contractor/full licensee after the change.

It is assumed that licensees that progress to become a contractor or full licence holder would continue to perform the plumbing and gasfitting work that they undertook under their previous licence (for example, a new contractor would essentially be a full licence holder who is also able to contract with the public). Under this assumption, there would be no change in wages for remaining full licence holders. If an alternative assumption was made however, it is possible that there could be some, albeit small, change in wages for existing licence holders. The challenge in identifying this change is the uncertainty surrounding the elasticity of supply and demand for licensed plumbers and gasfitters and their work. No comment was received on these assumptions during the consultation process.

For further information on the assumptions underlying this estimate, see Attachment G.

4.2.6 Costs imposed by new requirements

Cost of introducing financial probity requirements for all licence holders

Under national licensing, financial probity requirements would apply for all licence types. Given that not all jurisdictions currently impose financial probity requirements for all licences, this will lead to additional costs for licence holders in certain jurisdictions. Currently, the following jurisdictions do not require financial probity and will incur a cost under national licensing:

- for contractors: Western Australia and the Australian Capital Territory

- for (full) licence holders and tradesperson registration holders: Victoria, Queensland, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.¹⁵

The financial probity requirements under national licensing would involve the disclosure of certain acts, such as a failure to pay fines for the tradesperson registration holder; and for the contractor, failure to pay fines and other relevant matters such as bankruptcy. This would impose a time cost for all new licence applicants, who would need to spend time identifying whether they have anything to disclose and then, if necessary, writing out their disclosure. Table 4.29 shows the total costs of introducing financial probity in jurisdictions that do not currently require it. Attachment G provides further information on the assumptions underlying these estimates, and their associated references.

Table 4.29: Cost of introducing financial probity requirements

\$ million	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing cost	0.01	0.01	0.001	0.002	0.0004	0.001	0.0004	0.02
10-year NPV as at 1 July 2012	0.04	0.05	0.01	0.01	0.003	0.01	0.002	0.13

Introducing worker licences for certain scopes of work in Queensland

Under national licensing, both workers and contractors would be required to hold a licence. This represents an increase in regulation for certain scopes of work in Queensland. For mechanical services work and Type B gasfitting, workers who are employed under a business with the relevant authorisation are not required to be licensed. Queensland has estimated that there are about 4,500 workers who are currently unlicensed, but who would be required to obtain a licence under national licensing.

It is estimated that introducing a worker licence in Queensland would cost these licensees \$0.16 million annualised per annum or \$1.02 million NPV over ten years.

Introducing a contractor licence for businesses

Given that Victoria, Western Australia and the Northern Territory do not license contractors and only license individuals, businesses (i.e. companies and partnerships) would need to apply for a licence under national licensing. This would lead to costs for these businesses from paying licence fees and spending time applying for the licence.

As that they are not separately licensed, the number of businesses that would require such a licence is unknown. To approximate the number of businesses, the proportion of contractor licensees that are businesses in New South Wales has been used to prorate the number of licensees in these jurisdictions. Based on this assumption, and the fees and licence periods currently set for full licence holders in these jurisdictions, the national cost of introducing a contractor licence is estimated to be \$0.31 million annualised per annum or \$2.05 million NPV over ten years. The distribution of this cost across jurisdictions is shown in Table 4.30. The costs have changed from those presented in the

¹⁵ Based on the mapping exercise undertaken by the COAG National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing. South Australia and Queensland have also advised that they currently do not impose personal probity requirements and would therefore be impacted by this change.

The Australian Capital Territory does currently have a financial probity requirement for contractors and workers. However, this requirement is quite minimal and it is assumed for the purposes of this analysis that national licensing would impose slightly more onerous financial probity requirements on licensees.

Consultation RIS because the proposed licence period is now a maximum of five years rather than the standard three years proposed in the Consultation RIS. The frequency of renewal is therefore lower in calculating this impact. Costing has not been undertaken for Western Australia but could be assumed to be less than those of Victoria. For more information on the assumptions underlying these estimates, see Attachment G.

Table 4.30: Cost to business contractors from the introduction of licensing

\$ million	Vic	NT	National
Annualised ongoing cost	0.31	0.01	0.31
10 year NPV as at 1 July 2012	2.01	0.05	2.05

In the Australian Capital Territory, contractor licences are offered to companies and partnerships only. The impacts of the proposed requirements on the Australian Capital Territory are uncertain and have not been quantified but it is expected that they could be minimised through sensible administrative arrangements which build on existing processes where licensees who hold individual licences interact with the regulators.

4.2.7 Business value-add

Part of the benefit of these reforms accrues to labour that is selling plumbing and gasfitting services. For example, lower compliance costs allow plumbers and gasfitters to work more and easier access to interstate work allows access to higher paid jobs. However, part of the benefit of these reforms accrues to whoever is buying those plumbing and gasfitting services. That could be a business, such as a construction company, manufacturer or mining company. A larger quantity of lower cost plumbing and gasfitting services allows the sector to undertake more work at a cheaper price and earn higher profits. However, it could also be a consumer who purchases plumbing and gasfitting services. For example, after such natural disasters as floods and bushfires a lot of repair work needs to be done and in those circumstances, consumers can benefit directly from access to more and cheaper services.

Valuing the benefits to workers is easier than valuing benefits to business and consumers. The approach taken in this Decision RIS is to assume a ratio between the benefits to labour selling plumbing and gasfitting services and the benefits to the business or consumer buying those services. The ratio of benefits to wages relative to benefits to profits is determined by using the ratio of labour to capital. That ratio is difficult to determine with precision because of different circumstances. Plumbers and gasfitters operating individually in the construction industry may have relatively little capital, comprising a vehicle and their toolkit. At the other extreme, some plumbers and gasfitters work in a very capital-intensive environment, such as for manufacturing or mining companies. It is not clear whether the benefits accrue more to small operators working across interstate borders or to plumbers and gasfitters working interstate in the mining sector.

For the purpose of this Decision RIS, the benefits to the business and consumer buying plumbing and gasfitting services are assumed to be one-third of the direct benefit to labour. This estimate is based on research conducted by the Australian Bureau of Statistics on income shares for factors of production (labour and capital), which estimates the profit share of total factor income (essentially

the return to capital of total income in the economy).¹⁶ This measure is the best available indicator of the extent to which income is returned to capital (as opposed to being returned to labour in the form of wages).

The net efficiency benefits (that is, time-based impacts only) to licensees on an ongoing basis will differ for each of the proposed options. The net efficiency benefits under each option are as follows:

- under the two tier option, there would be \$37.28 million in net efficiency benefits per annum
- under three tier, sub-option 1, there would be \$3.10 million in net efficiency benefits per annum
- under three tier, sub-option 2 (the preferred model), there would be \$12.27 million in net efficiency benefits per annum.

These efficiency benefits translate into a potential net benefit to business. The net benefit to businesses under each option is shown in Table 4.31.

Table 4.31: Business value-add – ongoing net benefit to business

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Two tier									
Annualised ongoing benefit	1.41	2.91	2.57	3.88	0.79	0.30	0.38	0.19	12.43
10 year NPV as at 1 July 2012	9.21	18.95	16.78	25.29	5.12	1.96	2.50	1.26	81.07
Three tier, sub-option 1									
Annualised ongoing benefit	0.64	0.27	0.36	(0.30)	0.12	0.06	(0.10)	(0.02)	1.03
10 year NPV as at 1 July 2012	4.16	1.77	2.32	(1.93)	0.76	0.39	(0.63)	(0.10)	6.73
Three tier, sub-option 2									
Annualised ongoing benefit	0.85	0.99	0.96	0.84	0.30	0.12	0.03	0.04	4.12
10 year NPV as at 1 July 2012	5.53	6.43	6.25	5.46	1.94	0.81	0.21	0.27	26.89

4.2.8 National Occupational Licensing Authority – ongoing operational costs

A key element of the national licensing model is the establishment of a National Occupational Licensing Authority. The role of NOLA would be to develop consistent national policy for obtaining a licence and to administer the national system. To undertake its role, NOLA will have ongoing costs, such as staff remuneration, maintenance of the national licensing register and meeting costs.

Occupations under national licensing will be introduced in several stages. The costs of NOLA have therefore been discounted to account for occupations which are expected to come under national licensing following the initial group. Based on the detailed budget of NOLA provided by the National Licensing Taskforce, the ongoing costs are estimated at \$1.440 million per annum or \$10.52 million NPV over ten years as at 1 July 2012. Table 4.32 illustrates the pro rata distributional

¹⁶ Australian Bureau of Statistics 2011, Australian System of National Accounts 2010–11, cat. no. 5204.0, Canberra.

effects of the costs (based on the distribution outlined above in Table 4.31, noting that it was agreed that the Australian Capital Territory would not be required to contribute to the cost of NOLA).

Table 4.32: National Occupational Licensing Authority – ongoing operational costs

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Annualised ongoing cost	0.46	0.35	0.29	0.15	0.11	0.03	–	0.01	1.40
10-year NPV as at 1 July 2012	3.45	2.64	2.16	1.11	0.81	0.25	–	0.11	10.52

4.2.9 Potential changes in government revenue

Under many of the changes and impacts outlined above, there will be an impact on government regulators flowing from the changes to the licensing system. Where licensing is removed and there is a direct benefit to licence holders from no longer paying licence fees, there is also a cost to government through reduced revenue (essentially a transfer from government to licence holders). However, regulators would also realise some savings from no longer regulating these licensees. If fees are directly representative of the cost of regulating licensees, the net impact on government would be zero, as the loss of revenue would be exactly offset by the savings from reduced licensing activities. A similar approach has been taken to assessing the impact on training providers.

There are some changes or impacts where the reduction in revenue for government is not equal to the savings from changes in licensing activities, leading to a net cost or benefit to government. These include the removal of multiple licences held across jurisdictions. The impact for government in these cases is discussed in sections 4.1.2 and 4.1.3.

4.2.10 Potential benefits to governments from simplified administrative arrangements

A further area of benefit considered in this analysis is the potential savings over time for governments under the national licensing options.

As set out in previous chapters, the national licensing options would retain the role of state and territory regulators in issuing licences, conducting compliance and enforcement activities and overseeing conduct requirements. NOLA would be responsible for policy development and coordination of the system.

The investment in a licensing authority, with resources allocated to policy functions, coordination and future reforms, should reduce the need for these functions at the state and territory level. There is, however, uncertainty about the extent to which these savings would be realised. Key arguments provided include:

- the need for resources to continue to coordinate with NOLA, which would liaise with state and territory regulators
- the need for these bodies to retain policy capability, thereby removing the potential to reduce resources allocated to policy
- the need for staff to update the national licence register with jurisdictional licence data
- the difficulties for small jurisdictions to realise savings with small teams which would continue to work across occupations that are included in the national licensing approach, as

well as other occupations that would continue to be licensed by jurisdictions (essentially a difficulty in achieving economies of scale).

The points reflect current views among jurisdictions that resource requirements may be unlikely to change significantly under a national licensing approach. Further, there are concerns about the costs associated with the establishment of the new system. There is currently a strong focus on the resources required to transition to a national system (for example, the transition from jurisdiction-based licence registers to a national register). These transition costs are not necessarily representative of future efficiencies that can be achieved once a new system is fully implemented and bedded down. It is, therefore, important to differentiate between these transitional impacts and the potential benefits of administering a national licence system over the medium to long term.

A way forward appears to be an improved focus on future functions of agencies, and the extent to which there would be opportunities for savings, if there is a willingness of agencies to realise these savings over time. It is reasonable to assume that such savings would be more difficult for smaller jurisdictions to achieve, in particular the Australian Capital Territory and the Northern Territory (though currently the Australian Capital Territory has been exempt from contributing to NOLA costs).

This Decision RIS considers key areas where there may be opportunities to streamline state and territory functions over time under a national licensing approach. The most salient of these is the streamlining of policy functions.

Streamlining policy functions

Under a national licensing approach, NOLA would be responsible for developing national licence policy for each occupational area, based on advice from stakeholders, including the occupational licence advisory committees, and overseeing its consistent application by jurisdictional regulators. The operation of licensing services would be delegated to the existing jurisdictional regulators. State and territory regulators would use existing staff and infrastructure for these licensing functions.

Centralising policy development would allow state and territory governments to scale back the resources they currently allocate to these functions. NOLA would provide policy direction to jurisdictional regulators, which should reduce their administrative costs.

An analysis of administrative and governance requirements for a national licensing system conducted in 2009 included a preliminary analysis of the potential savings for jurisdictions.¹⁷ The analysis considered the total full-time equivalent resource requirement for regulators across seven occupations,¹⁸ estimating what proportion of these are required for policy functions that would be conducted by the national licensing authority under the new approach. The analysis found:

- there would be a potential saving of \$16.2 million annually across all seven occupations
- for the plumbing and gasfitting occupations, this would equate to a saving of \$19.7 million NPV over ten years.

¹⁷ PricewaterhouseCoopers 2009, National occupational licensing system: estimating financial impacts: final report.

¹⁸ Occupations assessed were building occupations, electrical, plumbing and gasfitting, refrigeration and air-conditioning mechanics, land transport (both passenger and dangerous goods), property and maritime.

These estimates are a useful indication of the potential scale of savings that could be realised. However, state and territory agencies doubt the likelihood that these savings could be fully realised due in part to new and additional work to support NOLA and effectively contribute to national policy development, undertake additional administrative functions as delegates of NOLA (as compared to current arrangements), or regulate additional licence categories. In addition, the nature of jurisdictional cost savings may be dispersed across multiple jurisdictional regulators and may only represent a fraction of full-time employees per agency. Furthermore, staff savings (including on-costs) are inherently sticky and are unlikely to be realised in the short term, if at all.

Reduction of requirements to maintain the mutual recognition system

All Australian governments currently have a responsibility, under legislation, to administer and maintain mutual recognition as a means of improving the efficiency of the licensing of occupations across Australia. There are two key areas where a change to national licensing would result in reduced costs for governments.

The *Mutual Recognition Act 1992* provides that ministers may jointly declare occupations licensed by jurisdictions to be equivalent, and may specify or describe any conditions necessary to achieve equivalence.

The ministerial declarations are an important component of the entire mutual recognition approach, as they establish equivalence in licences, thereby improving the effectiveness of outcomes from mutual recognition. Maintaining this system does, however, require an ongoing resource commitment by all governments, for key tasks such as reviewing the ministerial declarations and updating the schedule of occupations and their relevant conditions.

Those agencies that make decisions based on the ministerial declaration (that is, state and territory regulators) must ensure that their staff understands how to use them, and that they are updated on changes to the licence equivalence tables in the declarations.

Under national licensing, fewer resources would be required to maintain ministerial declarations and update information contained in the declarations, resulting in a cost saving for all state and territory governments. The potential amount of cost saving will vary across governments, depending on the current resource allocation to these tasks, how regulators may change their practices under a national licensing approach, and whether a commensurate level of work is required to maintain national regulations and other instruments.

Currently, licensing authorities are required to explain mutual recognition principles to licence holders and businesses, including providing guidelines and information about the operation of mutual recognition in relation to the occupations for which they are responsible. Licensing authorities must also provide information reasonably required by another licensing authority about a person seeking a licence under mutual recognition. Under national licensing, regulators would continue to communicate licensing requirements; however, it is likely that the simplified arrangements under national licensing would reduce the complexity of information that needs to be communicated (such as removing the need to explain the conditions under which mutual recognition may or may not apply).

It should be noted that there would still be a need for mutual recognition of licences that are not covered under national licensing and that there would also be a need to recognise occupational licences from New Zealand under the Trans-Tasman Mutual Recognition Arrangements.

4.2.11 Other impacts that have not been quantified

Consistency of licensing requirements across jurisdictions

Currently, when applying for a licence in another jurisdiction, the licence holder incurs costs associated with understanding the different requirements to gain a licence in that jurisdiction. While in some cases the differences between jurisdictions may be minimal, in others it may be significant. Therefore, applicants cannot assume that their knowledge of licensing requirements would be transferrable to another jurisdiction, and they must invest some time in investigating licence requirements for the jurisdiction in which they wish to work.

Under national licensing, there would be a single licensing system for licence holders to understand and adhere to. Licence holders who work in more than one jurisdiction would benefit from greater consistency in licensing requirements across jurisdictions. National licensing would provide consistency across all licensing characteristics, including:

- the regulated work that can be performed
- licence categories
- exemptions from licensing
- skills and non-skills-based requirements.

Therefore, those operating in multiple jurisdictions would experience a saving gained by no longer needing to invest time in understanding the differences and nuances of licence eligibility requirements in more than one jurisdiction. This potential time saving would vary depending on the type of licence and jurisdiction where the application is being lodged. There is currently insufficient data to quantify this time saving. Licensees will continue to need to understand the local legal and regulatory environment in the jurisdiction in which they work.

Benefits from enabling future reforms

The further area of potential benefit considered in this Decision RIS is the benefit from enabling future regulatory reforms. The plumbing and gasfitting occupations are one of four first-wave occupations being considered for national licensing. There are further reforms proposed in second-stage occupations (including building occupations), and in the harmonisation of conduct requirements. These reforms are linked in terms of providing a complete reform of licensing requirements. In particular, conduct reforms are likely to deliver related benefits for licence holders where current regulatory requirements for licences are included in conduct requirements (for instance, a number of potential benefits from reform of licence requirements in this RIS are not included in estimates as they fall under conduct requirements).

Reduced number of licence categories

Under national licensing, there would be nine licence categories for applicants to choose from when applying for a plumbing and gasfitting licence. The licence categories currently used by states and territories vary, but generally cover each of these nine categories in some form. Given the wide variance in the way categories are set in the states and territories, there are several possible impacts from this proposed change.

In jurisdictions where several categories are currently grouped together (for example, water and sanitary is grouped with drainage into one general plumber's licence in four of jurisdictions), national licensing would allow an applicant to obtain a licence only for the specific categories they want to work in. This leads to a saving for (full) licence holders because they would only need to meet the specific training requirements for the category they want to work in, rather than training for all the categories that are grouped together. This benefit is relevant for the three tier options of the qualification-based eligibility requirements for national licensing, where specific Certificate IV units are required for each licence category. Under the three tier options the licensee would save time and money by no longer undertaking Certificate IV units in categories they do not wish to work in. There could be additional costs for future applicants for licensing in those jurisdictions which currently licence water plumbing and sanitary plumbing separately, as these licences are now combined under a plumber's licence in national licensing. However, as both water and sanitary plumbing are compulsory streams in the national training package, a high majority of applicants for registration would have the skills for the combined licence and would not need additional training. Existing registration and licence holders would continue to be able to do what they currently do under transitional arrangements.

Under the two tier option there would be no impact on licensees because no Certificate IV units are required unless an endorsement is required, and the Certificate III in Plumbing would continue to require the completion of two compulsory streams, which are commonly the categories that are grouped together under the base case.

While separating a general licence into several categories may create a benefit for some, there is potential for it to generate a cost for others. Where a licensee would apply for only one licence under the base case, under national licensing they may need to apply for several licence categories. In practice, the extent to which this cost would be realised would depend on the way in which these categories are processed by regulators. It is anticipated that applying for several categories would simply involve ticking several boxes on an application form, meaning that the cost to licensees would be negligible.

In jurisdictions that have more than nine categories, national licensing would create an efficiency gain for regulators and licence holders because the streamlining of categories could make the application process and assessment simpler and potentially quicker.

Endorsements

Where an endorsement would be removed under national licensing, licence holders who wish to undertake the specific regulated work covered by the endorsement would benefit. This would come in the form of lower training costs (time and unit fees), as additional qualification units would no longer be required to undertake that work. For example, national licensing would see the removal of on-site sewerage facility maintenance work as a separate endorsed category and in Queensland, the removal of solar hot water systems and, in Victoria, gas Type A appliance conversion work endorsements. Due to limited data from regulators on the number of endorsements held, this benefit has not been quantified in this analysis.

While a saving may be gained from removing an endorsement, the opposite is true if endorsements are added to the licensing system. Where national licensing would introduce a new endorsement that is not required currently, some licence holders may experience a cost if they wish to undertake the work covered by that endorsement. This cost would come in the form of higher training costs

(time and unit fees), as additional qualification units would now be required to perform that work. Selection of the two tier option for national licensing could have the effect of increasing, over time, the number of endorsements required to cover skills that regulator and industry representatives do not consider adequately covered under Certificate III only training. It is not possible to quantify this impact as the number of endorsements and the training required for them would require further discussion with industry, if this option was selected.

Most plumbing and gasfitting work is covered by the regulated work proposed under the nine licence categories. Therefore, removing or adding endorsements would be unlikely to have a significant impact that would alter the overall results of this analysis.

Rationalisation of restricted licences

According to Queensland, the rationalisation of restricted licences will have an impact on niche industries in Queensland that rely on highly specialised, yet narrow, scopes of work, particularly in the fire protection and gas servicing industries. The Queensland government has provided the following information:

‘Many gasfitters now specialise in the servicing of gas equipment, requiring a smaller subset of skills than that required of a full gasfitter, who is qualified to install, commission and replace the equipment. Gas equipment has become increasingly complex, with the integration of complex controls, such as ignition systems, computers, digital temperature controllers, fans, motors and gas valves with coils, and increased legislation. Servicing work is specialised and requires more training than in the past, due to the new types of complex gas appliances, including the new styles of instantaneous hot water systems.

Driven by the resources boom, stationary engines are in wide demand and are being installed in many areas for purposes such as power generation for pumps at coal-seam gas wells around Queensland. Accordingly, there is wide demand for servicing technicians.

A number of companies require specialised servicing personnel on site. Additionally, there are now companies that solely undertake servicing work. Such companies typically include:

- major companies servicing equipment within their plant, e.g. mining and energy companies
- small specialised companies servicing their own equipment, e.g. hot air balloons
- individuals or small specialised serving companies, e.g. caravan servicing
- commercial and domestic gas appliance manufacturers, e.g. Miele and Fisher & Paykel
- various franchise restaurants requiring on-site servicing technicians, e.g. Sizzler, KFC and Pizza Hut.

There are relatively few individuals (137) and companies (60) specialising in or undertaking servicing work. These relate to specialised and niche sectors within the industry. Typically, persons specialising in servicing work already have a trade qualification (e.g. plumbing, electrical, refrigeration or fitting). In these cases, applicants for restricted servicing only have to complete an additional six units of competency (19 if no relevant trade qualification is held). Under the proposed approach, persons wishing to specialise in servicing would be required to complete a Certificate III in Plumbing or Gasfitting, as well as additional Certificate IV competencies to work unsupervised. The

Queensland regulator is concerned that requiring a full licence to undertake servicing only work would have a significant detrimental impact on the industry in that jurisdiction.

It is Queensland's view that as gas equipment is a more efficient, cheaper and sustainable energy product (compared to electrical equipment), the industry is going to expand exponentially over the coming years and the licensing frameworks (categories) need to accommodate industry needs.'

Restricted fire protection licence

This impact has not been quantified due to a lack of data on the number of licensees that would be impacted. This section therefore discusses the direction of the impact and who would be impacted by the proposed change.

Under the proposed national licensing options in the Consultation RIS, a restricted fire protection licence was not offered. Therefore, under national licensing, new licensees who wish to undertake only a restricted scope of work would have been required to obtain a full fire protection licence. This would have had a higher qualification requirement than applying for a restricted licence (i.e. a Certificate III would be required). Therefore, under the Consultation RIS approach, a cost would have been incurred by new licensees who wish to hold a restricted fire protection licence. These new licensees would have incurred time and fee costs from obtaining a higher qualification level, as they could only apply for a full fire protection licence. This cost would only have been incurred in jurisdictions that currently offer a restricted fire protection licence under their existing licence system.

Under the proposal in this Decision RIS, a restricted fire protection licence for the inspection and testing of fire equipment would be introduced that only requires a Certificate II. While the proposed restricted licence would not be exactly the same as the current restricted licences offered by many jurisdictions (in terms of qualification requirements and scope of work), it would offer a comparable licence to existing schemes. Under this proposal, some jurisdictions may incur a small cost or benefit depending on the qualifications currently required. However, on the whole, the impact is likely to be minor and the proposal would prevent the cost which would have been incurred under the Consultation RIS approach.

In jurisdictions where the scope of work for a restricted licence does not currently require a licence, there would be no impact because these jurisdictions would not be required to take up this licence.

Introducing nominees

In Victoria, Western Australia, South Australia and the Northern Territory, national licensing would mean the introduction of nominees for licensed companies performing plumbing and gasfitting work. A nominee is required to ensure that a person within the entity has the technical skills for the regulated work. This would also assist the regulator, as it would enable them to track down a 'responsible person' in relation to a licensed company, thereby making it easier for the regulator to undertake compliance and enforcement activities. While this reform would benefit regulators, it may also impose a small cost on licensed companies. Most companies that want to hold a plumbing and gasfitting licence would be expected to already employ an existing licensee who could act as a nominee. Therefore, there would be no licensing costs directly resulting from this reform. There may, however, be costs incurred from:

- identifying an appropriately licensed employee or director to act as the nominee

- obtaining the nominee's agreement
- notifying the regulator of who the company will be nominating (i.e. filling out the appropriate form, etc.).

The extent to which any further activities would occur in relation to nominees is unclear. It is possible that business may need to spend time recruiting someone if an appropriate person is not already employed, and some nominees may need to spend time undertaking additional duties as a nominee.

The cost of introducing nominees has not been included in this analysis; however, the magnitude of this cost is expected to be minimal and is not likely to materially impact the results. No additional feedback from non-government sources was provided on these costs during the consultation process. It should be noted that the concept of nominees was included in the framework for national licensing outlined in the national law, which has already been passed by a majority of jurisdictions. It is not the intention of this Decision RIS to revisit elements of national licensing which have already been agreed. As an amendment to the proposal in the Consultation RIS, it has been agreed that jurisdictions may choose whether to permit sub-contractors to be nominees. However it is proposed that contractors with only a sub-contractor nominee or nominees will be unable to contract for work outside of the jurisdiction in which their principal place of business is located. This amendment would neutralise most of the additional costs that may have been incurred under the proposal in the Consultation RIS by jurisdictions which do not currently require nominees.

Other impacts

There are some further remaining impacts which are worth noting in this section, but have not currently been quantified. These impacts are minor and are not expected to have a significant impact on the analysis. They include:

- the benefits to migrants and licensees from New Zealand of increased simplicity when applying for a licence in Australia (particularly for provisional licences). Under national licensing there will be a single standard, not different ones depending on which state a person lives in.
- the value of moving to a single training standard with a common set of training streams. Currently each jurisdiction picks up training streams that they consider relevant to their scope of licensing. Under a national system, there would be one training standard, which provides greater efficiency and simplicity for trainees, educators and regulators.
- benefits to licensees from removing licences for minor work. Some jurisdictions currently have a series of licences that cover minor work such as tap repairs or drain cleaning. Under national licensing, it is proposed that the regulated work for these licences will become unlicensed, which could potentially lead to benefits for licensees and consumers.
- the removal of a restricted licence for gas servicing which is currently available in Victoria and Queensland. The removal would lead to a small benefit in reduced regulation which may be offset for new entrants who will need to obtain a higher qualification for the full general gasfitting licence.

- the removal of additional testing or eligibility requirements, such as health and fitness, mental capacity and age requirements. The removal of these requirements would reduce barriers to licensing and benefit new licence holders.
- there may be additional transition costs incurred through such activities as change management and training in relation to business processes and procedures.

4.3 Impact on consumer outcomes

Under the options considered in this Decision RIS for national licensing, it is proposed that a number of current requirements for licensing be removed or changed. Several of these requirements have the potential to impact on outcomes for consumers and should be considered in this context. These are:

- proposed removal of experience requirements
- proposed removal of the licensing of apprentices
- proposed changes to endorsements
- proposed changes to licence types
- proposed changes to qualification requirements (i.e. changes to Certificate IV unit requirements).

This section provides an assessment of the potential impact of such changes on the outcomes for safety and consumer protection.

4.3.1 Potential safety impacts

Attachment D of this RIS provides a detailed analysis of the risks associated with gasfitting work. This research indicates that in the five years between 1997–98 and 2001–02, there was an average of two fatal gas-related incidents in Australia per year. This compares to 36 incidents per year in the United Kingdom, 426 in the United States, 26 in Canada and 1.6 in New Zealand. Note that this data is limited, as it only accounts for gasfitting (that is, it does not include plumbing incidents) and is ten years out of date. The key consideration for this analysis is whether any of the proposed changes in licensing arrangements would alter safety outcomes for consumers (the focus of the analysis here as it has the greatest potential impact on consumers).

The impact on consumer safety outcomes (and potentially public safety outcomes) from the proposed changes is unknown for the plumbing and gasfitting industry. The first three proposed changes that could potentially impact on consumer outcomes listed above (that is, changes to experience requirements, the licensing of apprentices and proposed changes to endorsements) have been deemed to be unnecessary regulatory requirements by a majority of the steering committee and are expected to have a neutral impact on consumer safety outcomes. There are strong views from industry concerning the two tier option, however. This option reduces qualification requirements, and is not considered by industry to provide the skills required to adequately perform critical plumbing and gasfitting functions, leading to increased risk for consumers and licensees. Over 60 per cent of those responding to a specific question as to whether the two tier system would create additional risk indicated that they did not believe it would, even though many of these respondents supported the three tier model, however the question and responses were

insufficiently detailed. The potential outcomes from the proposed qualification requirements and changes to licence types under the national licensing options are discussed below.

Three tier options with Certificate IV units

There are differing views on the potential level of risk associated with the practices of persons working in the plumbing and gasfitting industry. Currently, existing Certificate IV units are deemed by the Interim Advisory Committee to be part of the minimum competencies necessary for a licence holder to safely perform work unsupervised and sign off on the technical compliance of plumbing and gasfitting work. In addition, the IAC considers that the current risk levels are unacceptably high and warrant an increase in the number of required Certificate IV units as proposed under three tier, sub-option 1. To reflect these views, two sub-options are being considered that differ in the number of Certificate IV units required.

As outlined above, Australia appears to perform relatively well in relation to gas safety outcomes. While this analysis focuses on gasfitting, it is important to note that plumbing work also carries potential safety risks for the general public.

Evidence was not received of the specific risks mitigated by each additional Certificate IV unit however the Taskforce has undertaken this mapping and the result is provided at Table D.4 in Attachment D. This Decision RIS also provides a comparative quantitative analysis of the potential risk mitigated by the two sub-options.

Two tier option

There are differing views on the potential level of risk associated with the practices of persons working in the plumbing and gasfitting industry. A majority of the steering committee questioned whether there are current risks that demand extra Certificate IV units. Further, they did not consider that the Certificate IV units currently required for a licence should be maintained, although they did canvass the need for additional endorsements to cover more specialised work not covered by the Certificate III.

The requirement to be supervised if someone has not undertaken additional training (over and above the Certificate III) is inconsistent with the licensing requirements for the electrical and refrigeration and air-conditioning occupations. In these industries, there is no supervised licence type and an unsupervised licensee does not require qualifications above a Certificate III level. The steering committee has cited this difference between occupations and believes that it brings into question the necessity of these requirements for the licensing of the plumbing and gasfitting occupations.

The steering committee noted that no evidence had been provided to suggest that the risks inherent in the plumbing and gasfitting industry require mitigation through Certificate IV-level competencies. In particular, no evidence has been cited that the plumbing and gasfitting industry has a higher implicit safety risk than the electrical industry, which is yet to experience any problems from setting a lower minimum competency for (full) licence holders. No further evidence was submitted through the consultation process to demonstrate a higher risk level. However, it should be noted that the level of risk currently presenting relates to the status quo for qualification requirements for both occupations. It would be logical to assume that a decrease in training could lead to an increase in risk however there is no quantitative evidence to suggest that removal of training currently required for plumbers and gasfitters will or will not increase the risks currently encountered.

The need for the Certificate IV units partly depends on the extent to which these risks are being mitigated through other mechanisms. Some of the required Certificate IV units in the three tier, sub-option 1 are business-related competencies. These units have been removed in the Three tier, sub-option 2 proposal. The level of business acumen in the industry is currently regulated by market forces, as the success of an individual's business relies on their business skills and reputation in the market. In addition, the requirement in most jurisdictions for contractors (licence holders who contract with the public) to hold insurance cover should to some extent mitigate potential risks placed on consumers as a result of poor business behaviour. The removal of insurance as an eligibility requirement will be considered a conduct matter and licence holders will need to comply with the insurance requirements in each jurisdiction in which they work.

Some of the other required units relate to occupational health and safety. These competencies are also addressed through occupational health and safety regulation and associated requirements, and a customised occupational health and safety unit in the Certificate III qualification (*CPCPCM2023A Carry out OHS requirements*). They do not, however, cover the management of risks in a supervisory capacity, which is the substance of CPCCPM4011A Carry out work-based risk control processes, a generic requirement for all full plumbing and gasfitting licences under the three tier, sub-option 2 (the preferred option).

It should be noted that there is no external inspector of plumbing and gasfitting work, beyond the standard and varied monitoring and compliance procedures carried out by each jurisdiction. A (full) licensee is ultimately responsible for completion and signing off on their own work and therefore needs to possess the skills to do this in a competent manner.

Information that demonstrates the extent of such risk in the plumbing and gasfitting industry is currently limited. Although as outlined above, Australia appears to perform relatively well, it is not clear how this could change if Certificate IV units were removed. Without sufficient information, judgments about risk cannot be soundly made however the research outlined at Table D.4 would suggest that the common scope of work for both licence and registered tradespersons level may be misleading as the skill level and depth of required knowledge vary considerably between the qualification levels in relation to the work undertaken.

4.3.2 Consumer protection impacts

The second area of potential consumer impact is consumer protection. This relates to the extent to which the conduct of licensed persons leads to consumers being misled or defrauded (for instance, through the delivery of substandard work, where an individual or business fails to deliver services that consumers have purchased, or where individuals or businesses experience financial difficulties that impact consumers).

The key areas of reform where consumer protection may potentially be impacted are:

- changes in licence period, which may have an influence on compliance and enforcement actions by regulators (to the extent that a change to a shorter or longer term makes it easier or more difficult to monitor the conduct of licence holders)
- removal of Certificate IV units that relate to business competencies.

Changes to the licence period would not alter licence requirements, though they would potentially lengthen the time between renewal, and therefore the time period for regulators to receive updated

information. That said, across the entire licence period – whatever length, compliance and enforcement would continue to be required – renewal is just one element of the process.

In relation to business competency units, these units may improve the financial and business management skills of licence holders, though this addresses one particular consumer protection risk (financial management of contractors). Contractors undertaking non-licensed work are not currently required to hold business skills before starting up a business; however, under national licensing contractors will be required to meet financial and probity criteria before obtaining a licence. While a number of submissions sought qualification requirements for contractors and/or full licensees, there were often divergent views on whether technical and/or business skills were required and no evidence was provided to indicate that those possessing business skills experienced a lower rate of business failure than those who did not.

4.4 Comparing the impacts for licensees working in single and multiple jurisdictions

Of the impacts that have been quantified in this analysis, two impacts relate only to those licensees and businesses that work across more than one jurisdiction. These are:

- benefits from improved labour mobility
- benefits from the removal of multiple licences held across jurisdictions.

To demonstrate the impact of national licensing on those who work in a single jurisdiction versus those who operate across multiple jurisdictions, Table 4.30 shows the quantified impacts separated out for each of these groups. The separation of the results has been calculated based on:

- the percentage of licensees in each state and territory domiciled in another jurisdiction
- the estimated distribution of multiple licence holders across each of the jurisdictions.

For more detail on these two assumptions, see Attachment G.

While the industry is characterised by a large number of ‘small-scale operators, which maintain a territorial approach to their local geographic market’¹⁹, a number of these businesses have premises in border areas and will therefore be able to take advantage of business opportunities more readily under national licensing. Additionally, small businesses recruiting staff could be expected to source staff more easily and to have less difficulty in understanding the licence(s) held by job applicants and the regulated work they are able to carry out.

Larger construction companies and facilities maintenance groups, which represent a growing trend in the industry, are far more likely to have a national, or multi-state presence, and are therefore best placed to achieve optimum benefits from rationalised, consistent training, licence types and scopes of work and the increased mobility of labour arising from national licensing reform.

¹⁹ IBISWorld 2012, Plumbing services in Australia, Industry Report E4231.

Table 4.33: Comparison of the impacts of national licensing on licensees working in a single jurisdiction versus licensees working across more than one jurisdiction

\$ million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
Two tier									
Impacts on those who currently operate in only one jurisdiction									
Ongoing impact per annum	5.96	12.03	12.61	17.41	3.18	1.24	1.50	0.57	54.51
Transition cost	(7.07)	(3.36)	(4.80)	(3.52)	(1.46)	(0.87)	(0.80)	(0.50)	(22.37)
Impacts on those who operate in more than one jurisdiction									
Ongoing impact per annum	13.23	5.71	7.74	5.44	1.63	0.59	0.82	0.57	35.73
Transition cost	(0.21)	(0.23)	(0.27)	(0.08)	(0.11)	(0.10)	(0.14)	(0.22)	(1.37)
Overall total impact									
Ongoing impact per annum	19.19	17.74	20.35	22.85	4.80	1.84	2.32	1.14	90.24
Transition cost	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Three tier, sub-option 1									
Impacts on those who currently operate in only one jurisdiction									
Ongoing impact per annum	2.31	1.80	2.11	(1.30)	0.35	0.23	(0.35)	(0.08)	5.08
Transition cost	(7.07)	(3.36)	(4.80)	(3.52)	(1.46)	(0.87)	(0.80)	(0.50)	(22.37)
Impacts on those who operate in more than one jurisdiction									
Ongoing impact per annum	13.12	5.00	7.15	5.01	1.42	0.47	0.51	0.28	32.95
Transition cost	(0.21)	(0.23)	(0.27)	(0.08)	(0.11)	(0.10)	(0.14)	(0.22)	(1.37)
Overall total impact									
Ongoing impact per annum	15.43	6.80	9.26	3.71	1.76	0.70	0.16	0.20	38.02
Transition cost	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Three tier, sub-option 2									
Impacts on those who currently operate in only one jurisdiction									
Ongoing impact per annum	3.30	4.58	4.96	3.78	1.11	0.50	0.15	0.10	18.49
Transition cost	(7.07)	(3.36)	(4.80)	(3.52)	(1.46)	(0.87)	(0.80)	(0.50)	(22.37)
Impacts on those who operate in more than one jurisdiction									
Ongoing impact per annum	13.15	5.19	7.31	5.13	1.48	0.50	0.59	0.36	33.70
Transition cost	(0.21)	(0.23)	(0.27)	(0.08)	(0.11)	(0.10)	(0.14)	(0.22)	(1.37)
Overall total impact									
Ongoing impact per annum	16.45	9.77	12.27	8.90	2.59	1.01	0.74	0.46	52.19
Transition cost	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)

4.5 Wider economic impacts on the Australian economy

Computable general equilibrium (CGE) modelling was undertaken to quantify potential economy-wide (or flow-on) effects of an increase in competition and efficiency that is predicted to result from the introduction of national licensing for the plumbing and gasfitting occupations. This includes the potential impact of improvements in labour mobility, which allows resources to be more efficiently allocated across the economy.²⁰

The purpose of using CGE in this analysis is to demonstrate the potential economy-wide impacts of the national reform to the regulation of plumbers and gasfitters. CGE is a highly regarded and widely applied tool to measure the economic impacts of policy and regulatory change. For example, this approach has been used to measure the impacts of key reforms, including:

- national competition policy²¹
- climate change policies, including emissions trading and a carbon pricing²²
- the COAG national reform agenda²³
- tariff reforms.

CGE modelling can provide insights into the impact of reforms that an analysis of the direct costs and benefits cannot. Direct measures are valuable in being able to target the specific, immediate impacts of change, focused on particular stakeholders or sectors in the economy. CGE modelling takes the analysis further by acknowledging the interdependence and interrelationships between sectors in the economy. When done appropriately, it provides a bigger picture of how reforms have impacts right across the economy, including for those sectors not directly impacted by the reforms.

It should be noted that the CGE modelling was not updated from the Consultation RIS. The differences in the structure of the proposed model and changes to assumptions underlying the model between the Consultation RIS and Decision RIS would impact these results. Accordingly, the CGE modelling results are only indicative of the type and scale of the overall long-term impacts on the economy if national licensing is adopted.

²⁰ The challenge for the analysis is that it is difficult to estimate the allocative efficiency impacts that may arise from changes to labour mobility. While the Monash Multi-Region Forecasting Model can be used to estimate these impacts, this is a complex exercise that is beyond the scope of this study. Rather, the modelling draws on prior work undertaken by the Productivity Commission relating to allocative efficiency gains arising from mutual recognition – this is discussed in more detail in the cost–benefit analysis. The economy-wide gains in the commission’s modelling have been translated into an input into the current CGE modelling exercise. This input takes the form of a shock to labour efficiency and is prorated for the size of national occupational reforms for plumbing and gasfitting occupations.

²¹ For example, the Industry Commission conducted a review of Hilmer Competition reforms in 1995 that estimated the growth and revenue implications of reform using a CGE modelling approach. See Industry Commission 1995, *The growth and revenue impacts of Hilmer and related reforms: report to the Council of Australian Governments*.

²² Such as the modelling of various carbon tax and emissions trading scenarios conducted by the Commonwealth Treasury. The Monash model, which is used in this RIS, was also used to model the impacts of emissions trading for the Garnaut Review.

²³ As conducted as part of the following commissioned research study – Productivity Commission 2010, *Impacts and benefits of COAG Reforms: reporting framework – research report*, Canberra.

4.5.1 The shock to the model – the scenario modelled for this Regulatory Impact Statement

Under national licensing requirements, barriers to entry to the plumbing and gasfitting occupations in each jurisdiction are expected to diminish through, for example, reduction in costs for licensing and an increase in the readiness to work between jurisdictions. This may be translated as:

- an increase in efficiency of labour in plumbing and gasfitting services
- an increase in efficiency of capital in plumbing and gasfitting services
- fees for multiple licences plumbers and gasfitters no longer pay to government.

Additionally, the reform will impact on the amount of public administration that the state and territory governments consume, as they will have to process fewer licences.

To model each of these impacts, calculations based on the results of the cost–benefit analysis have been drawn upon. Each option for the plumbing and gasfitting occupations was modelled separately. The assumptions outlined in section 4.1.7 are the same for each option. Only the ongoing costs and benefits from the cost–benefit analysis were modelled.

4.5.2 Key results

Key economic mechanisms in play – moving from the initial shock to the wider economy

It is not appropriate to sum the results of the economy-wide CGE analysis and direct impacts estimated through the cost–benefit analysis. Instead, the economy-wide results should be interpreted as providing insights into the mechanisms by which the direct impacts flow through the economy and lead to benefits in those areas of the economy that are not directly impacted by the change in licensing arrangements.

The impacts of an increase in efficiency

When viewed in the context of the Australian economy, it is to be expected that the economy-wide effects of a labour and capital efficiency shock to the plumbing and gasfitting services component of the construction industry will be small. Nevertheless, the results illustrate the economic mechanisms that may be in play as the efficiency gain flows through the wider economy.

The increase in productivity of labour in the plumbing and gasfitting services sector decreases the cost for users of these services, particularly in the construction industry. In the CGE framework, this is passed on to users of construction services in the form of decreased prices.

In turn, other industries in the economy experience positive flow-on effects, resulting from a decrease in the cost of production, and hence prices, across many industries in the Australian economy. This mechanism is illustrated in Figure 4.1.

Figure 4.1: Flow-through effects of an increase in competition in the construction industry



Similarly, an increase in the efficiency of capital draws down the cost of production in the construction industry. In the CGE framework, this is passed on to users of construction services in the form of decreased prices.

This mechanism is illustrated in Figure 4.1. Note that given the relative inflexibility of wages in a downwards direction, nominal wages may be unlikely to decrease, but real wages may be lower in the longer term.

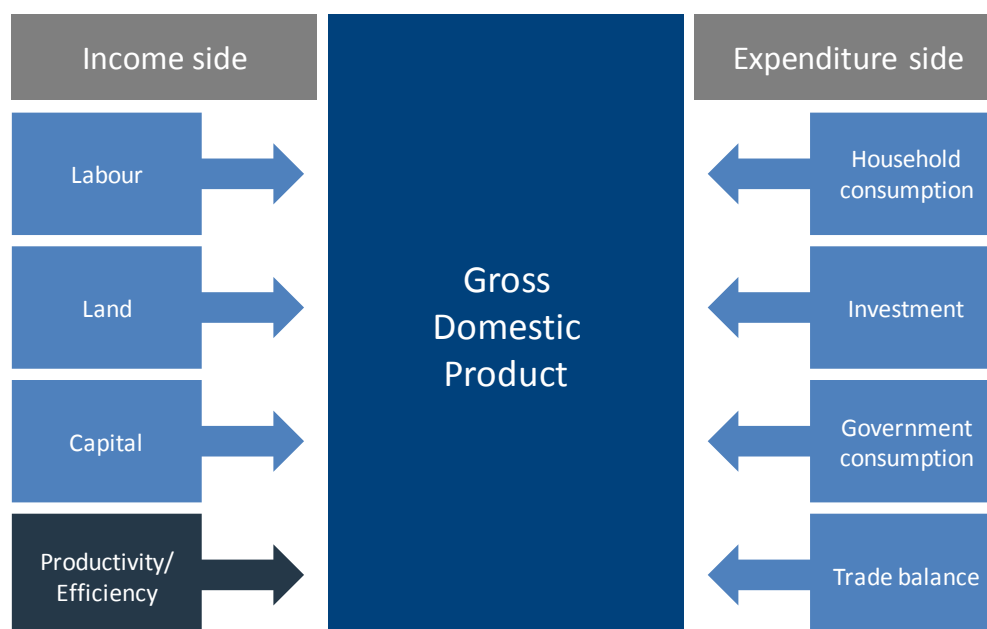
The impacts of fees no longer paid by licensees

A decrease in the fees that plumbers and gasfitters pay to government results in an increase in the post-tax income for the plumbing and gasfitting industry. This results in a higher level of income across Australia, leading to a higher level of household consumption.

Macroeconomic results

At a macroeconomic level, the results may be viewed from both sides of GDP, that is, the income side and the expenditure side. This is illustrated in Figure 4.2.

Figure 4.2: Income and expenditure side of GDP



National licensing for the plumbing and gasfitting occupations for each of the options results in an expected increase in GDP. Table 4.34 presents the approximate increase in GDP expected for a typical year for each of the options.²⁴

Table 4.34: Impact on GDP caused by national licensing of plumbing and gasfitting for each option (\$ million)

GDP	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Typical year	45	5	18

Source: Monash Multi-Region Forecasting Model and PricewaterhouseCoopers.

²⁴ All results are presented in 2011 dollars.

The rise in income drives an increase in consumption. Table 4.35 shows the typical year increase in household and government consumption. The consumption of the Australian Government increases, while at the state level, consumption shrinks due to the ongoing licensing authority operating costs being more than offset by the reduced administration requirements by state governments. Government consumption is linked to household consumption; therefore, as households consume more so too does government. The harmonisation of licences induces an increase in investment in Australia, which causes an increase in capital stock.

Table 4.35: Impact on household and government consumption and investment caused by national licensing of plumbing and gasfitting for each option (\$ million)

	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Household consumption	14	1	5
Government consumption	5	0.4	2
Investment	18	2	6

Source: Monash Multi-Region Forecasting Model and PricewaterhouseCoopers.

The harmonisation of the plumbing and gasfitting licences causes a real depreciation of the Australian exchange rate. As domestic goods and services become cheaper relative to foreign goods and services, this causes exports to increase. While imports become relatively more expensive than domestically produced goods and services, as incomes rise and household consumption increases, the demand for imports also increases. Table 4.36 shows the impact of the national licensing of plumbing and gasfitting on exports and imports in a typical year.

Table 4.36: Impact on exports and imports caused by national licensing of plumbing and gasfitting for each option (\$ million)

	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Exports	33	5	10
Imports	7	0	2

Source: Monash Multi-Region Forecasting Model and PricewaterhouseCoopers.

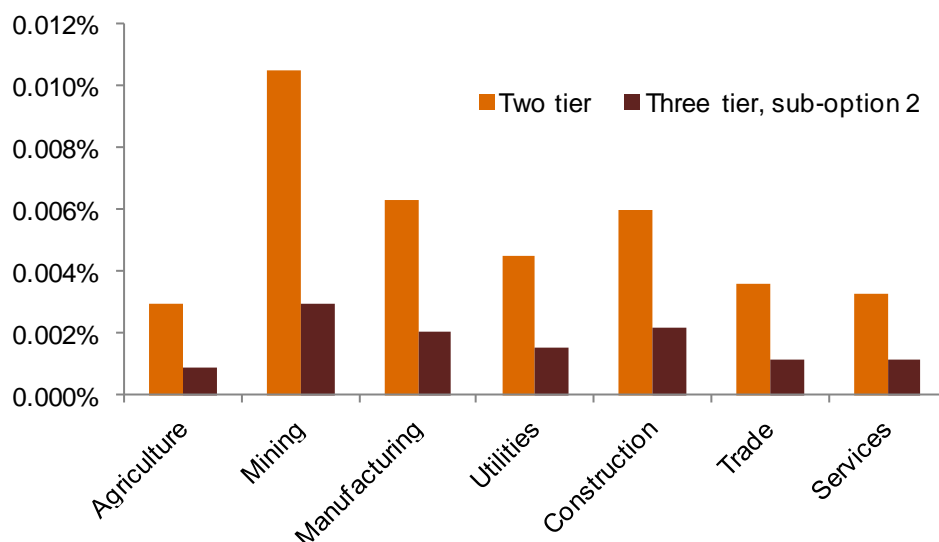
Industry results

The industries that benefit under the modelled options are those that face lower costs of production (due to the reduction in prices in the construction industry), together with those that are positively impacted by the improvement in the terms of trade (that is, export-intensive industries).

Figure 4.3 illustrates the impact on key sectors in the economy for each option.²⁵ The mining sector benefits the most from the national licensing options. This is driven by the change in the terms of trade and the fact that the mining sector is a large consumer of goods and services from the construction industry, where the prices have fallen.

²⁵ The results under three tier, sub-option 1 are in line with the results for two tier and three tier, sub-option 2; however, they are too small to be shown in this graph.

Figure 4.3: Key industry results, percentage increase



4.6 Sensitivity testing of key assumptions

A sensitivity analysis of key assumptions of the cost–benefit analysis was undertaken for this RIS. As the Office of Best Practice Regulation states:

There may be considerable uncertainty about predicted impacts and their appropriate monetary valuation. Sensitivity analysis provides information about how changes in different variables would affect the overall costs and benefits of the regulatory proposal. It shows how sensitive predicted net benefits are to different values of uncertain variables and to changes in assumptions. It tests whether the uncertainty over the value of certain variables matters, and identifies critical assumptions.²⁶

4.6.1 Alternative licence period

The national licensing model assessed in the Consultation RIS included a standard licence period of three years across all licence types and jurisdictions. A proposal has been agreed for a flexible approach which will allow licensees to apply for a one, three or five year term (i.e. five years as a maximum). The following discussion was included in the Consultation RIS to inform the decision process. It has been retained here to demonstrate the variables considered and the impact that they have.

The impacts of three alternatives are assessed:

- a shorter licence period of three years as a maximum
- a higher licence period of ten years as a maximum
- a perpetual licence, meaning that there is no defined period to the licence and it never needs to be renewed.

²⁶ Australian Government Office of Best Practice Regulation 2010, Best practice regulation handbook, Canberra.

Under a standard three (or ten) year licence period, licensees in jurisdictions that currently have a licence period of less than three (or ten) years would benefit because they would not need to renew their licence as often (similar to the benefit received under a five year licence period). Where the licence period is already three (or 10) years, there would be no impact. The highest licence period currently set by states and territories for plumbing and gasfitting licences is five years. Therefore, under a ten year period, licensees in all jurisdictions would benefit from renewing their licence less often. In jurisdictions with a licence period of more than three years, a three year licence period would lead to a cost for licensees, as they would have to renew their licence more frequently.

Under a perpetual licence, licensees in all jurisdictions would benefit from no longer needing to periodically renew their licence. New licensees would still need to apply for a licence, but once it was received and eligibility criteria met, no renewals would be necessary. Therefore, the cost of time and fees currently spent on renewing licences would be entirely avoided under this option.

Assuming that only the processing component of fees would be impacted by a change to the licence period, Table 4.37 shows the national overall quantified net impact of each option under each licence period assessed. The figures in brackets show the difference between the impact under a maximum five year licence period and the alternative period being assessed. For example, having a perpetual licence period would result in an additional \$34.13 million worth of benefits compared to a maximum five year licence period.

Table 4.37: Net overall impact of national licensing under various licence periods

National total NPV over 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Maximum 5-year licence period	566.67	226.02	318.41
Maximum 3-year licence period	543.92 (-22.76)	203.26 (-22.76)	295.65 (-22.76)
Maximum 10-year licence period	583.73 (+17.06)	243.08 (+17.06)	335.47 (+17.06)
Perpetual licence	600.80 (+34.13)	260.15 (+34.14)	352.54 (+34.14)

4.6.2 Net present value assumptions

Discount rate

A sensitivity analysis was undertaken on the 7 per cent discount rate used to calculate NPV figures in this RIS. Table 4.38 highlights the national overall quantified net impact of each option under alternative discount rates (specifically, the impact of 3 per cent and 10 per cent on the overall result). The figures in brackets show the difference between the impact with a 7 per cent discount rate and the alternative rate being assessed. For example, under the two tier option, using a 10 per cent discount rate would decrease the overall national NPV by \$88.01 million compared to using a 7 per cent discount rate.

Table 4.38: Alternative discount rates for the options

National NPV over 10 years with a 3-year licence period (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
7 per cent	566.67	226.02	318.41
3 per cent	721.72 (+155.05)	290.43 (+64.41)	407.42 (+89.01)
10 per cent	478.66 (-88.01)	189.49 (-36.53)	267.90 (-50.51)

Net present value operating period

A sensitivity analysis was undertaken on the operating period used to calculate NPV figures in this RIS. Table 4.39 highlights the impact that increasing the operating period (specifically, from ten years to 15 and 20 years) has on the net quantified impact on the options. The figures in brackets show the difference between the impact over a 10-year operating period and the alternative period being assessed. For example, under the two tier option, using a 20-year operating period would result in an additional \$323.35 million worth of benefits compared to a 10-year operating period.

Table 4.39: National overall net impact of the options under alternative net present value operating periods

National total NPV over 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
10-year operating period	566.67	226.02	318.41
15-year operating period	752.41 (+185.74)	301.37 (+75.35)	423.83 (+105.42)
20-year operating period	890.02 (+323.35)	355.76 (+129.74)	500.95 (+182.54)

Note: A real discount rate of 7 per cent and a licence term of three years have been used.

The results in Table 4.39 highlight the impact that different assumptions about the operating period can have on the estimated costs and benefits of the options. In this case, increasing the operating period has a positive effect on the NPV estimate as the majority of costs are short term (that is, transitional), while the majority of benefits are long term.

Labour mobility assumptions

The benefits from labour mobility represent a significant share of the total benefits attributed to national licensing. Given the exact impact of labour mobility is also uncertain (as it is only one possible scenario), it is appropriate to conduct sensitivity analysis of this impact. The assumption with the greatest level of uncertainty in estimating the benefit of labour mobility is that 10 per cent of the benefit estimated by the Productivity Commission would potentially be realised through national licensing. Sensitivity has therefore been conducted on this 10 per cent assumption.

After the release of the Consultation RIS, no feedback was provided by stakeholders that indicated an assumption of 10 per cent was inappropriate. However, further feedback received from jurisdictions suggests that some States and Territories believe an estimate of 10 per cent should be considered as an upper bound estimate. As such, the assumptions used in this sensitivity analysis represent lower estimates than the 10 per cent used in the main analysis reported in this Decision RIS. The two alternative assumptions shown in this analysis are that:

- national licensing would potentially result in **5 per cent** of the full labour mobility benefit estimated by the Productivity Commission
- national licensing would potentially result in **2 per cent** of the full labour mobility benefit estimated by the Productivity Commission.

The overall impact of national licensing under these assumptions, compared to the 10 per cent assumption, are shown in the table below.

Table 4.40: Net overall impact of national licensing under various labour mobility scenarios

National total NPV over 10 years (\$ million)	Two tier	Three tier sub-option 1	Three tier sub-option 2
10% change in labour mobility	566.67	226.02	318.41
5% change in labour mobility	461.26	120.61	213.00
2% change in labour mobility	389.02	57.37	149.76

NPV = net present value

The jurisdictional impacts under the proposed option are also shown in the table below.

Table 4.41: Net overall impact of Three tier sub-option 2 (the proposed option) under various labour mobility scenarios

NPV over 10 years under Three tier sub-option 2 (\$ million)	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
10% change in labour mobility	100.57	60.25	75.33	54.82	15.40	5.68	4.03	2.34	318.41
5% change in labour mobility	57.64	45.02	53.04	38.47	10.87	4.31	2.11	1.54	213.00
2% change in labour mobility	31.88	35.88	39.67	28.66	8.16	3.48	0.96	1.06	149.76

4.6.3 Cost and benefits of the automatic mutual recognition option

Automatic mutual recognition could achieve some of the same labour mobility benefits as national licensing, as it would enhance the ability for labour to flow where the plumbing and gasfitting skills are most needed, and would reduce administrative and financial costs in the form of additional fees where licences are held across jurisdictions. Some of the transition costs incurred under national licensing would also be relevant under automatic mutual recognition. For example, licensees would need to spend time understanding the new licensing system and government would incur communications costs in informing licensees of the changes.

While national licensing seeks to rationalise the number of licence categories, where possible and appropriate, there is no mechanism or compulsion under automatic mutual recognition to make such changes. Automatic mutual recognition retains individual jurisdictions' licensing frameworks and for that reason involves a lower transition cost to that envisaged under national licensing.

Automatic mutual recognition – unharmonised approach

Under this approach, a licence holder would automatically be allowed to perform the scope of licensed work authorised by their jurisdiction-based licence across all jurisdictions regulating that

work, without applying for an additional licence or paying an additional fee. The regulated work and licence type would not be harmonised or made consistent in any way. It would be the responsibility of the licence holder, regulator and employer to understand the licensed work authorised by a licence issued by any jurisdiction. Unlike existing mutual recognition arrangements, the licence would not be 'translated' into the regulatory terms of the jurisdiction of operation. It could therefore be expected that compliance monitoring would be substantially more difficult for regulators and there would be a risk of licensees working outside their scope of work in second jurisdictions, potentially affecting consumer protection and health and safety.

This option is similar to the arrangements that apply to a driver's licence, where a licence in one jurisdiction entitles the bearer to drive anywhere in Australia. However, it should be noted that the standard automotive driver's licence arrangement works because the regulated work – driving – is essentially the same in all jurisdictions. The different approaches to plumbing and gasfitting licensing mean that the various types of regulated work are significantly more varied than driving.

The 2009 *Decision Regulation Impact Statement on the National Licensing System for Specific Occupations* noted that, on examination, an unharmonised approach would not address issues of consistency or transparency, would increase the level of complexity for individuals and businesses (in understanding jurisdictional licensing and conduct differences) and has the potential to increase consumer confusion. It further noted that there are potentially perverse impacts on consumer protection outcomes by undermining the integrity of jurisdictional regulatory regimes and increasing the potential for jurisdiction shopping. It indicated that there was a significant risk that regulators would lose confidence in arrangements over time.

State and territory autonomy would be maintained and transition and implementation costs would be minimised under an unharmonised model. Jurisdictions would retain the legislative power to vary licensing requirements to meet circumstances arising in particular states over time.

While labour mobility is an important objective of national licensing, the benefits derived from national licensing could be partly achieved by automatic mutual recognition as it too would enhance the ability and attractiveness for some labour to flow where refrigeration and air-conditioning services are most needed.

The potential transition costs of this option include:

- time for licence holders to understand changes in licensing arrangements (i.e. how automatic mutual recognition works)
- government communications costs
- government compliance costs, where regulators are required to change their compliance arrangements to ensure that they are able to regulate for new licence holders working in their jurisdiction under automatic licences (this is both a transition and an ongoing cost)

In order to fully quantify and assess the impacts under this option, further guidance from governments on option parameters and available data would be needed. For example, the following information would be needed:

- information on the extent to which transition costs that have been estimated for national licensing may need adjusting to reflect differences in this option information from jurisdictional regulators on the costs associated with additional compliance
- information on the cost of the register of disciplinary actions, including information on the potential scale of this register, and how it may work with existing arrangements.

Table 4.42 shows the potential impacts under the three tier, sub-option 2 that could also occur under an unharmonised model of automatic mutual recognition.

Table 4.42: Potential impacts under an unharmonised automatic mutual recognition (AMR) model

Potential impacts	National licensing option impacts (three tier, sub option 2)	Likelihood of achieving national licensing benefits under AMR* (%)	AMR impacts
Ongoing impacts (\$ million per annum annualised over 10 years)			
Impacts that would occur for those holding equivalent licences			
Labour mobility	32.12	50	16.06
Removal of the need to hold multiple licences	1.35	100	1.35
Removal of the need to hold multiple licences – government	(0.82)	100	(0.82)
Removing Certificate IV units	5.56	0	0
Licence period of one, three or five years	6.24	0	0
Introducing new licences	(0.47)	0	0
Experience requirements	5.18	0	0
Other impacts	0.31	0	0
Business value-add	4.12	*	0.06 (a)
NOLA – operational costs	(1.40)	0	0
Total Ongoing Impacts - benefits	52.19		16.65
Transition impacts (\$ million)			
Time for licensees to understand reforms	(11.30)	25	(1.41)
Business value-add	(3.77)	*	(0.94) (b)
Government communications costs	(1.95)	25	(0.49)
NOLA – set-up costs	(1.64)	0	0
National licence register – jurisdictional implementation	(5.08)	0	0
Total Transition Impacts	(23.74)		(2.84)
Other potential impacts not yet quantified			
Impacts on government compliance costs and associated administrative costs	Not quantified		Higher than national licensing
Costs and benefits of a register of disciplinary actions	Not quantified		Not applicable

* 0% - No Impact - Where the likelihood of achieving a benefit of 0% is outlined, it is not expected that AMR would provide for the benefit to be delivered. For example, there would be no requirement for decreased qualifications under an unharmonised AMR system meaning that there would be no reduction of costs in this area;

25% - Very unlikely - Where the likelihood of achieving the same cost/benefit of 25% is outlined, it is considered very unlikely that AMR would provide for the any significant degree of the benefit or cost to be accrued. For example, the costs of communication would be significant less as the changes to the system would be minimal compared to the current mutual recognition arrangements;

50% - Unlikely = Where the likelihood of achieving a benefit of 50% is outlined, it is not expected that AMR would provide for half of the benefits/costs to be accrued but delivered. For example, the costing estimates that half of the benefit accruing from enhanced labour mobility would flow through under an unharmonised AMR system. This is because the regulated work and licence type would be continue to be whatever individual jurisdictions determine – it would not be harmonised or made consistent in any way. It would become the responsibility of the regulator and licence holder to understand the licensed work authorised by a licence issued by any jurisdiction as, unlike under existing mutual recognition, the licence would not be ‘translated’ into the regulatory terms of the jurisdiction of operation. It is expected that these complexities would continue to militate against labour mobility to a significant extent;

75% - Likely - Where the likelihood of achieving a benefit/cost of 75% is outlined, it is expected that AMR would provide for the much of the benefit to be delivered; and

100% - Full Impact - In these occasions, it is estimated that the same benefit/cost would flow regardless of the model being implemented. For example, under an unharmonised AMR system it is still envisaged that the need for multiple licenses will be eliminated (as it would with national licensing).

[^] Under AMR, business value add will only accrue for those impacts that are likely to occur under the AMR option.

^a The only ongoing impact likely to occur under AMR that leads to business value-add is ‘Removal of the need to hold multiple licences’. This is the business value-add associated with that impact.

^b The only transition impact that leads to business value-add is ‘Time for licensees to understand reforms’. As only 25 per cent of this impact is expected to be incurred under AMR, only 25 per cent of the associated business value-add would be incurred under the AMR option.

Automatic mutual recognition – harmonised approach

To manage regulatory differences, jurisdictions could agree to harmonise licensing requirements. This could be undertaken initially where equivalence is more easily determined, or based on updated ministerial declarations of equivalence. The substantial work already undertaken in relation to the development of proposed national licensing arrangements could be used as a basis for this.

This approach would need to have a mechanism to facilitate harmonisation across jurisdictions. This could be managed through either dedicated resources (for example a funded body) or managed by a committee of officials representing jurisdictions. It is likely that, in the absence of a funded national coordinating mechanism, harmonisation would be difficult to achieve, and hard to maintain over time as there would be no process to resolve differing jurisdictional views.

Jurisdictions would retain the legislative power to vary licensing requirements to meet circumstances arising in particular states over time. This would have the potential to undermine any agreed equivalency, increase complexity and create uncertainty in jurisdictions which had not issued the licence. While there is a similar potential under the proposed national licensing arrangements for variation in licensing arrangements (for example the IGA includes provisions for jurisdictions to not adopt licence where that work is not licensed), there are limited structural arrangements or requirements (such as the IGA and National Law for National Licensing) which would work to contain differences over time.

Legislative change would be needed to the Mutual Recognition Act to allow recognition of business entities, and to jurisdictional legislation. Licence cards from different jurisdictions could contain different levels of information, causing uncertainty for consumers unless this was made more consistent. A national register of disciplinary actions would improve transparency for consumers and regulators alike but would need to be agreed and established. Such a register would not provide the full national register of information proposed under the proposed national licensing register and a process would need to be developed surrounding who would provide, maintain and service it, and agreement would be needed on how it would be funded.

If harmonisation was introduced as a staged process, with clearly equivalent licences included first and others left outside the system, temporarily or perpetually, further confusion could be created. For licences where no equivalence had been agreed, current mutual recognition requirements would need to continue.

Potential Impacts

It is difficult to fully estimate the cost of a harmonised automatic mutual recognition system as it is unclear which elements of the licensing system would be subject to harmonisation, which elements would actually be harmonised by jurisdictions, and how the harmonisation process would be managed.

There is the potential for an automatic mutual recognition model to capture some of the benefits that have been identified under the three tier, sub-option 2 model but the extent of benefits achieved would depend on the level of agreement between jurisdictions. It is also clear that a harmonised system has the potential to increase labour mobility from that which is likely to be achieved under an unharmonised automatic recognition system.

Overall, it is expected that the benefits from a harmonised AMR arrangement would have benefits greater than a non-harmonised system (\$16.65m per annum) but less than those expected from national licensing (net benefits of approximately \$52.19m per year).

When examining what additional benefits can be achieved between the non-harmonised and harmonised AMR models for plumbing and gasfitting, there is likely to be some additional benefits under a harmonised system flowing from:

- the removal of business training;
- removal of duplicate testing;
- removal of fit and proper tests; and
- removal of experience requirements.

Further benefits may also be achieved across jurisdictions if consistent licence periods were adopted.

It should be noted that benefits would only flow in relation to the extent that jurisdictions were able to agree on harmonisation which resulted in a deregulatory outcome.

There would also be transitional costs for the establishment of such a system. As stated above, it is difficult to fully estimate these costs given that further consideration would be needed as to how system development and implementation would be managed. It is expected there would be costs in relation to information provision to licensees, communications and the establishment of a register. While this model would not require the establishment of NOLA, it would nevertheless require the establishment of a state/territory mechanism to develop implement and maintain the licensing arrangement under this model. It is recognised that the work undertaken as part of the work to develop a national licensing system would contribute to the establishment of a harmonised automatic mutual recognition system and would minimise some system development costs.

Conclusion

Automatic Mutual Recognition is an alternative model for reform of licensing arrangements which has the potential to deliver some benefits to licence holders and the economy more broadly. It would deliver arrangements which go some way to promoting labour mobility but will not deliver the same level of benefits as the national licensing model proposed.

The three tier, sub-option two model has been estimated to deliver net benefits of approximately \$52.19m per year. An estimate of the benefits delivered by an unharmonised AMR system is estimated to be \$16.65m. There would be fewer transitional costs. It is difficult to estimate the benefits accruing from a harmonised mutual recognition system as it not clear as to what elements of any proposed system will be subject to harmonisation across all relevant jurisdictions. It is likely to deliver higher benefits than a non-harmonised system (\$16.65m per annum) but fewer than the proposed model under national licensing (\$52.19m per annum).

4.6.4 Summary of the costs and benefits of national licensing by jurisdiction

The costs and benefits of national licensing for each jurisdiction in terms of NPVs over ten years (as at 1 July 2012) are summarised in tables 4.43 to 4.50. Note that costs are represented in brackets. The impacts of the removal of Certificate IV units – category specific, has changed since the Consultation RIS as the number of units required has been reduced. Also, the business value-add changes when there is a change to any impact with a time component, as it is calculated based on all labour efficiency impacts. Therefore, several of the changes have led to a change in business value-add since the Consultation RIS, including the move to choice of a maximum five year licence, changes to the transition costs to understand licensees and the change to Certificate IV units.

The ongoing costs of the national licensing register are included in the ongoing operational cost of NOLA and are not included in the tables below.

New South Wales

Table 4.43: Summary of costs and benefits of national licensing in New South Wales

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(6.81)	(6.81)	(6.81)
Time for industry to understand national licensing	(4.25)	(4.25)	(4.25)
Business value-add	(1.42)	(1.42)	(1.42)
Communication about new reforms by government to industry	(0.30)	(0.30)	(0.30)
Licensing authority – transitional set-up costs	(0.53)	(0.53)	(0.53)
National licensing register – jurisdiction-based implementation	(0.31)	(0.31)	(0.31)
Ongoing impacts	125.23	100.73	107.38
Additional Certificate IV units – common	-	(7.90)	(2.63)
Removing Certificate IV units – common	2.60	-	-
Removing Certificate IV units – category-specific	11.06	2.11	2.11
Removing multiple licences – industry	2.24	2.24	2.24
Removing multiple licences – government	(2.55)	(2.55)	(2.55)
Licence period of one, three or five years	5.02	5.02	5.02
Removing personal probity for workers	0.05	0.05	0.05
Labour mobility	85.85	85.85	85.85
Experience requirements	15.20	15.20	15.20
Business value-add	9.21	4.16	5.53
Licensing authority – operational costs	(3.45)	(3.45)	(3.45)

Victoria

Table 4.44: Summary of costs and benefits of national licensing in Victoria

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(3.32)	(3.32)	(3.32)
Time for industry to understand national licensing	(1.39)	(1.39)	(1.39)
Business value-add	(0.46)	(0.46)	(0.46)
Communication about new reforms by government to industry	(0.30)	(0.30)	(0.30)
Licensing authority – transitional set-up costs	(0.40)	(0.40)	(0.40)
National licensing register – jurisdiction-based implementation	(0.76)	(0.76)	(0.76)
Ongoing impacts	115.59	44.20	63.57
Additional Certificate IV units – common	-	(14.70)	-
Removing Certificate IV units – common	14.50	-	-

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Removing Certificate IV units – category-specific	30.88	5.88	5.88
Removing multiple licences – industry	1.75	1.75	1.75
Removing multiple licences – government	(0.32)	(0.32)	(0.32)
Licence period of one, three or five years	19.44	19.44	19.44
Introducing contractor licences	(2.01)	(2.01)	(2.01)
Removing personal probity for workers	0.02	0.02	0.02
Introducing financial probity for workers	(0.04)	(0.04)	(0.04)
Duplicate testing	1.51	1.51	1.51
Labour mobility	30.46	30.46	30.46
Experience requirements	3.09	3.09	3.09
Business value-add	18.95	1.77	6.43
Licensing authority – operational costs	(2.64)	(2.64)	(2.64)

Queensland

Table 4.45: Summary of costs and benefits of national licensing in Queensland

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(4.70)	(4.70)	(4.70)
Time for industry to understand national licensing	(2.47)	(2.47)	(2.47)
Business value-add	(0.82)	(0.82)	(0.82)
Communication about new reforms by government to industry	(0.30)	(0.30)	(0.30)
Licensing authority – transitional set-up costs	(0.33)	(0.33)	(0.33)
National licensing register – jurisdiction-based implementation	(0.76)	(0.76)	(0.76)
Ongoing impacts	132.77	60.39	80.02
Additional Certificate IV units – common	-	(15.71)	-
Removing Certificate IV units – common	15.50	-	-
Removing Certificate IV units – category-specific	39.28	12.57	12.57
Removing multiple licences – industry	2.27	2.27	2.27
Removing multiple licences – government	(0.83)	(0.83)	(0.83)
Licence period of one, three or five years	10.10	10.10	10.10
Introducing worker licences	(1.02)	(1.02)	(1.02)
Introducing financial probity for workers	(0.05)	(0.05)	(0.05)
Labour mobility	44.57	44.57	44.57
Experience requirements	8.32	8.32	8.32
Business value-add	16.78	2.32	6.25
Licensing authority – operational costs	(2.16)	(2.16)	(2.16)

Western Australia

Table 4.46: Summary of costs and benefits of national licensing in Western Australia

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(3.32)	(3.32)	(3.32)
Time for industry to understand national licensing	(1.56)	(1.56)	(1.56)
Business value-add	(0.52)	(0.52)	(0.52)
Communication about new reforms by government to industry	(0.30)	(0.30)	(0.30)
Licensing authority – transitional set-up costs	(0.17)	(0.17)	(0.17)
National licensing register – jurisdiction-based implementation	(0.76)	(0.76)	(0.76)
Ongoing impacts	149.14	24.26	58.14
Additional Certificate IV units – common	-	(26.49)	-
Removing Certificate IV units – common	26.13	-	-
Removing Certificate IV units – category-specific	55.64	10.60	10.60
Removing multiple licences – industry	0.72	0.72	0.72
Removing multiple licences – government	(0.37)	(0.37)	(0.37)
Licence period of one, three or five years	3.77	3.77	3.77
Removing personal probity for workers	0.49	0.49	0.49
Introducing financial probity for contractors	(0.01)	(0.01)	(0.01)
Apprentice licensing	0.02	0.02	0.02
Labour mobility	32.69	32.69	32.69
Experience requirements	5.87	5.87	5.87
Business value-add	25.29	(1.93)	5.46
Licensing authority – operational costs	(1.11)	(1.11)	(1.11)

South Australia

Table 4.47: Summary of costs and benefits of national licensing in South Australia

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(1.44)	(1.44)	(1.44)
Time for industry to understand national licensing	(0.47)	(0.47)	(0.47)
Business value-add	(0.16)	(0.16)	(0.16)
Communication about new reforms by government to industry	(0.15)	(0.15)	(0.15)
Licensing authority – transitional set-up costs	(0.12)	(0.12)	(0.12)
National licensing register – jurisdiction-based implementation	(0.53)	(0.53)	(0.53)
Ongoing impacts	31.28	11.46	16.83
Additional Certificate IV units – common	-	(4.19)	-
Removing Certificate IV units – common	4.14	-	-
Removing Certificate IV units – category-specific	12.16	5.03	5.03
Removing multiple licences – industry	0.55	0.55	0.55
Removing multiple licences – government	(0.48)	(0.48)	(0.48)
Licence period of one, three or five years	1.54	1.54	1.54
Introducing financial probity for workers	(0.01)	(0.01)	(0.01)
Apprentice licensing	0.02	0.02	0.02
Labour mobility	9.05	9.05	9.05
Business value-add	5.12	0.76	1.94
Licensing authority – operational costs	(0.81)	(0.81)	(0.81)

Tasmania

Table 4.48: Summary of costs and benefits of national licensing in Tasmania

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(0.87)	(0.87)	(0.87)
Time for industry to understand national licensing	(0.11)	(0.11)	(0.11)
Business value-add	(0.04)	(0.04)	(0.04)
Communication about new reforms by government to industry	(0.15)	(0.15)	(0.15)
Licensing authority – transitional set-up costs	(0.04)	(0.04)	(0.04)
National licensing register – jurisdiction-based implementation	(0.53)	(0.53)	(0.53)
Ongoing impacts	11.97	4.56	6.55
Removing Certificate IV units – common	3.14	-	1.57
Removing Certificate IV units – category-specific	3.34	0.64	0.64
Removing multiple licences – industry	0.27	0.27	0.27

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Removing multiple licences – government	(0.12)	(0.12)	(0.12)
Licence period of one, three or five years	0.34	0.34	0.34
Removing personal probity for workers	0.005	0.005	0.005
Introducing financial probity for workers	(0.003)	(0.003)	(0.003)
Labour mobility	2.76	2.76	2.76
Experience requirements	0.53	0.53	0.53
Business value-add	1.96	0.39	0.81
Licensing authority – operational costs	(0.25)	(0.25)	(0.25)

Australian Capital Territory

Table 4.49: Summary of costs and benefits of national licensing in the Australian Capital Territory

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(0.85)	(0.85)	(0.85)
Time for industry to understand national licensing	(0.23)	(0.23)	(0.23)
Business value-add	(0.08)	(0.08)	(0.08)
Communication about new reforms by government to industry	(0.15)	(0.15)	(0.15)
National licensing register – jurisdiction-based implementation	(0.38)	(0.38)	(0.38)
Ongoing impacts	15.18	1.04	4.88
Additional Certificate IV units – common	-	(2.99)	
Removing Certificate IV units – common	2.95	-	
Removing Certificate IV units – category-specific	5.08	-	
Removing multiple licences – industry	0.53	0.53	0.53
Removing multiple licences – government	(0.65)	(0.65)	(0.65)
Licence period of one, three or five years	0.41	0.41	0.41
Removing personal probity for workers	0.005	0.005	0.005
Introducing financial probity for workers	(0.0005)	(0.0005)	(0.0005)
Introducing financial probity for contractors	(0.007)	(0.007)	(0.007)
Labour mobility	3.84	3.84	3.84
Experience requirements	0.53	0.53	0.53
Business value-add	2.50	(0.63)	0.21

Northern Territory

Table 4.50: Summary of costs and benefits of national licensing in the Northern Territory

NPV 10 years (\$ million)	Two tier	Three tier, sub-option 1	Three tier, sub-option 2
Transitional impacts	(0.65)	(0.65)	(0.65)
Time for industry to understand national licensing	(0.07)	(0.07)	(0.07)
Business value-add	(0.02)	(0.02)	(0.02)
Communication about new reforms by government to industry	(0.15)	(0.15)	(0.15)
Licensing authority – transitional set-up costs	(0.02)	(0.02)	(0.02)
National licensing register – jurisdiction-based implementation	(0.38)	(0.38)	(0.38)
Ongoing impacts	7.45	1.32	2.98
Additional Certificate IV units – common	-	(1.29)	-
Removing Certificate IV units – common	1.28	-	-
Removing Certificate IV units – category-specific	2.72	0.52	0.52
Removing multiple licences – industry	0.46	0.46	0.46
Removing multiple licences – government	(0.01)	(0.01)	(0.01)
Licence period of one, three or five years	0.05	0.05	0.05
Introducing contractor licences	(0.05)	(0.05)	(0.05)
Removing personal probity for workers	0.005	0.005	0.005
Introducing financial probity for workers	(0.002)	(0.002)	(0.002)
Skills maintenance	0.02	0.02	0.02
Labour mobility	1.59	1.59	1.59
Experience requirements	0.25	0.25	0.25
Business value-add	1.26	(0.10)	0.27
Licensing authority – operational costs	(0.11)	(0.11)	(0.11)

Total estimated impacts for plumbing and gasfitting

The total estimated impacts for plumbing and gasfitting under each national licensing option are provided in Table 4.51 below.

Table 4.51: Total estimated impacts for plumbing and gasfitting

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Two tier									
Ongoing net impact (\$ million per annum)	19.19	17.74	20.35	22.85	4.80	1.84	2.32	1.14	90.24
One-off transition costs (\$ million)	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Total 10-year NPV (\$ million)	118.42	112.27	128.07	145.82	29.84	11.10	14.34	6.80	566.67
Three tier, sub-option 1									
Ongoing net impact (\$ million per annum)	15.43	6.80	9.26	3.71	1.76	0.70	0.16	0.20	38.02
One-off transition costs (\$ million)	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Total 10-year NPV (\$ million)	93.92	40.88	55.69	20.94	10.02	3.69	0.20	0.67	226.02
Three tier, sub-option 2									
Ongoing net impact (\$ million per annum)	16.45	9.77	12.27	8.90	2.59	1.01	0.74	0.46	52.19
One-off transition costs (\$ millions)	(7.28)	(3.59)	(5.07)	(3.60)	(1.57)	(0.97)	(0.93)	(0.72)	(23.74)
Total 10-year NPV (\$ million)	100.57	60.25	75.33	54.82	15.40	5.68	4.03	2.34	318.41

5 Consultation

The Council of Australian Governments (COAG) requires that all significant regulatory processes are developed in accordance with its principles for best practice regulatory process, which includes thorough, wide-ranging and timely consultation with affected stakeholders. The purpose of consultation on national licensing reform is to meet this requirement by providing mechanisms for stakeholders in the plumbing and gasfitting sectors to consider the options developed for national licensing reform, and to comment on them.

A detailed Consultation RIS outlining policy proposals for the establishment of a national licensing system for the plumbing and gasfitting occupations was released on 13 August 2012, when it was published on the www.nola.gov.au website. Stakeholders, including state and territory governments, relevant national and state organisations, those who had participated in the policy development process and others who had expressed interest in receiving information on the reforms through the www.nola.gov.au website, were directly notified of the release of the Consultation RIS. Approximately 2,000 people were notified in this way.

The policy contained in the Consultation RIS was based on that developed by the Plumbing and Gasfitting Interim Advisory Committee (IAC) during a number of meetings which took place throughout 2010–11. The IAC comprised representatives from employer and employee associations, the training sector, regulators, and the consumer advocacy sector. The Consultation RIS also reflected policy positions developed through the National Licensing Steering Committee, which oversaw the policy process and was comprised of representatives from state and territory government agencies.

Draft national licensing legislation and regulations, including that required to implement the proposed reforms in relation to the plumbing and gasfitting occupations, was released on 14 September 2012 and was also a part of the consultation process. The legislation was based on the policy positions developed by the IAC.

5.1 Public information sessions

Public information sessions concerning the Consultation RIS were held in each state and territory between 31 August and 25 September 2012. The information sessions were promoted through emails to those registered to receive information on the reforms, advertisements in key major metropolitan newspapers, and through the www.nola.gov.au website.

A total of 242 people attended the information sessions on plumbing and gasfitting. Details of the locations and numbers of attendees are outlined below.

Location	Date	Attendees
Canberra	31 August	14
Darwin	4 September	47
Melbourne	11 September	37
Adelaide	12 September	21
Sydney	14 September	23
Hobart	19 September	17

Location	Date	Attendees
Brisbane*	20 September	47
Perth	25 September	36
TOTAL		242

* The Brisbane session was also broadcast live through the Queensland Treasury website. The recorded version was also published to the website to enable viewing. It is unclear how many people have viewed these versions.

The information sessions provided an opportunity for the COAG National Licensing Taskforce to outline the proposed arrangements, answer questions on aspects of the reforms, and listen to views and comments from those attending. Representatives from key state and territory government agencies also attended the information sessions.

5.2 Feedback on Consultation RIS and draft legislation

Comments on the Consultation RIS and the draft legislation were sought from the release of the Consultation RIS on 13 August 2012 until 12 October 2012. Stakeholders were asked to provide feedback using an online survey, through a template based on the survey, or by any other written means.

The online survey format was developed by state and territory government representatives with input from the COAG National Licensing Taskforce and sought to ensure feedback was received on all key issues of interest. Individuals were also free to comment on other issues as appropriate. The online survey was available for participants to use from the date of release of the Consultation RIS until the closing date for submissions of 12 October 2012. A total of 1339 submissions relating to the plumbing and gasfitting occupations were received, of which 347 were received using the online survey.

The other 992 submissions received did not use the online survey. Many of these submissions were 'form' or 'template' submissions from particular areas or sectors of the plumbing and gasfitting industry. Details on the issues contained in these submissions are outlined below.

All submissions, with the exception of those identified by respondents as not for public release, are available online at www.nola.gov.au. A list of respondents is provided at Attachment B.

5.3 National Occupational Licensing Authority (NOLA)

Following the close of submissions, NOLA convened an Interim Plumbing and Gasfitting Occupational Licensing Advisory Committee (OLAC) to provide comments on the policy options outlined in the Consultation RIS. Membership of the Plumbing and Gasfitting OLAC comprised a range of industry representatives similar to that of the IACs.

The OLAC provided advice to NOLA on where, from an industry perspective, amendments might be appropriate to ensure an effective national licensing system. NOLA also convened meetings of relevant state and territory regulators to consider the issues raised by the OLACs.

5.4 Submission Summary

A total of 1339 submissions were received on the Consultation RIS, with 242 people attending the information sessions on the plumbing and gasfitting occupations which were held in capital cities in each of the states and territories. The submissions contained a high number of form letter

(template) responses, a large number of which were from respondents in Victoria (responses originating in Victoria accounted for approximately 62 per cent of all hard copy (non-online survey) responses and 54.6 per cent of the total responses). A significant number of non-Victoria submissions, from Master Plumbers' Association members, were variants on a form template developed by the Master Plumbers and Mechanical Services Association, and more than 40 per cent of all responses came from Master Plumbers' Associations. Of the 992 hard copy responses received, only 6 per cent did not form part of a more widely organised response.

The majority of responses from industry associations sought to increase regulatory requirements in a number of areas, and state-based associations sought to retain existing state licences and regulated work. Responses from the irrigation and pump industries accounted for over 120 submissions nationally.

Table 5.1: Consultation meetings

Location	Date	Organisations Present	Total Attendees
Sydney	14 September	<ul style="list-style-type: none"> • Master Plumbers Association of NSW • Construction and Property Services Industry Skills Council • LPG Australia • Australian Standards and Qualifications • Australian Building Codes Board • WORMALD 	23
Melbourne	11 September	<ul style="list-style-type: none"> • Master Plumbers and Mechanical Services Association of Australia • Air Conditioning & Mechanical Contractors Association of Australia Ltd • National Fire Industry Association • Master Plumbers Association – Vic • Communications, Electrical and Plumbing Union • Irrigation Australia Ltd • Construction and Property Services Industry Skills Council • Training organisations 	37
Brisbane	20 September	<ul style="list-style-type: none"> • Australian Skills Quality Authority • Construction and Property Services Industry Skills Council • Communications, Electrical and Plumbing Union • Irrigation Australia • National Fire Industry Association • Queensland Health • Master Plumbers Association QLD • Building Codes QLD 	47
Perth	25 September	<ul style="list-style-type: none"> • Master Plumbers and Gasfitters Association - WA • Training Accreditation Council - WA • Institute of Plumbing Australia • Training organisations – Challenger Institute, SWIT, Polytechnic West 	36

Location	Date	Organisations Present	Total Attendees
		<ul style="list-style-type: none"> • Energy Safety • WA Department of Training and Workforce • WA Department of Commerce • Gas companies 	
Adelaide	12 September	<ul style="list-style-type: none"> • Plumbing Industry Association – SA • Communications, Electrical and Plumbing Union • TAFE SA • PEER VEET • Air Conditioning & Mechanical Contractors Association – SA 	21
Hobart	19 September	<ul style="list-style-type: none"> • Air Conditioning & Mechanical Contractors Association of Australia Ltd • Australian Skills Quality Authority • Master Plumbers Association Tasmania • Skills Tasmania 	17
Canberra	31 August	<ul style="list-style-type: none"> • Construction Industry and Property Services Industry Skills Council • NSW Plumbers Union 	14
Darwin	4 September	<ul style="list-style-type: none"> • Construction Industry and Property Services Industry Skills Council 	47

5.5 Overview of selected stakeholder positions

Consultation was undertaken with the IAC, the steering committee, industry, regulators, employers, employees and others.

Broadly, stakeholders support the following models (with some or little concern over aspects of that model). A number of stakeholders indicated that they supported national licensing but wanted particular amendments, without which they would prefer an alternative option, such as automatic mutual recognition or the status quo; this is reflected in Table 5.2.

A number of stakeholders sought the ‘retention’ of apprenticeship training. This is not listed in the notes to the table as there is no intention of making changes to the primacy of the apprenticeship as the key trade pathway.

Detailed comments on the various issues raised by stakeholders are outlined in Chapter 3.

Table 5.2: Selected stakeholder positions in relation to the options presented

Stakeholder	Status quo	Automatic mutual recognition	National licensing
Institute of Plumbing Australia			support ¹
Master Plumbers Australia Limited			support ²
Master Plumbers Association of NSW			support ³
Master Plumbers Association of Queensland	support ⁴		support
Master Plumbers & Gasfitters Association Western Australia			support ⁵
Master Plumbers and Mechanical Services Association of Australia		support	support ⁶
Master Plumbers Association of Tasmania			support ⁷
National Fire Industry Association		support	support ⁸
Housing Industry Association			support ⁹
Business Council of Australia			support ¹⁰
Australian Institute of Building			support ¹¹
Fire Protection Association Australia			support ¹²
Communications, Electrical and Plumbing Union (Plumbing Division)		support	support ¹³
Master Builders Australia		support	support ¹⁴

¹ Supported three tier, sub-option 1 but sought additional inclusions, such as business qualifications to be included for contractors, water plumbing work to include fire hydrant and hose reel work, independent testing following completion of qualification, inclusion of skills maintenance.

² Supported three tier, sub-option 1.

³ Supported three tier, sub-option 1 but, if this is not recommended, then sub-option 2 (reflecting the current licensing model for NSW). Sought inclusion of medical gas work, roof plumbing and stormwater work and skills maintenance.

⁴ Supported three tier, sub-option 1, but sought additional inclusions, such as contractors to hold Certificate IV qualification, independent testing following completion of qualification, inclusion of skills maintenance, inclusion of medical gas work, mechanical services and roof plumbing.

⁵ Supported the status quo as its preferred option, but also stated that it supported the option of national licensing (three tier, sub-option 2) but is concerned for certain 'protective safeguards' and if these cannot be adequately maintained, then the ... status quo should be maintained'. The submission also indicated support for automatic mutual recognition. The protective safeguards include, but are not limited to, retention of some current endorsements which are available in Queensland only, inclusion of medical gas work, roof plumbing and stormwater work and inclusion of skills maintenance.

⁶ Supported three tier options as alternative to automatic mutual recognition. Submission supported need for full licensees and contractors to hold business competencies and sought inclusion of medical gas work, mechanical services, roof plumbing and stormwater work.

⁷ Supported three tier, sub-option 1 but sought number of additional inclusions including independent testing following completion of qualification, inclusion of medical gas work, roof plumbing and stormwater work, irrigation, on-site, inclusion of skills maintenance.

⁸ Supported automatic mutual recognition but also the three tier national licensing model as an alternative. Sought inclusion of medical gas work, mechanical services, roof plumbing and stormwater work and inspect and test work for fire protection systems.

⁹ Supported two tier option

¹⁰ Supported two tier option and questions need to licence contractors.

¹¹ Sought inclusion of skills maintenance.

¹² Supported three tier option but sought inclusion of greater range of fire protection licences, including an inspect and test licence.

¹³ Supported three tier, sub-option 2. Submission sought commissioning to be included in all classes of plumbing and gasfitting work but also inclusion of medical gas work, ducting, roof plumbing and stormwater work.

¹⁴ Supported automatic mutual recognition unless national licensing reform is more comprehensive, streamlined and rationalised.

6 Conclusion and recommendation

6.1 Recommendation

The three tier, sub-option 2 model is recommended as the preferred model for national licensing of the plumbing and gasfitting occupations. While it does not have the highest quantitative net benefit to the community, on balance of all the options considered it is the most effective and proportional approach to licensing the occupation when taking into account all impacts.,

The two tier option, while providing a national approach, labour mobility and higher quantified net benefits than the option selected, essentially reduces the training and skills standards currently in place. As such, it provides less preparation for those working in the industry at the respective licence levels and significantly increases the risk of worker or consumer harm, property damage and threat to the environment, compared with either of the three tier models.

The three tier sub-options are identical in all respects apart from the qualification requirements at the full licence level and reflect a harmonised and rationalised approach which substantially reflects existing regulation of the industry in many jurisdictions.

The three tier, sub-option 1 model, although widely supported by industry, increases qualification requirements at the full licence level for a number of categories. Such an increase could not be supported under the Intergovernmental Agreement, which specifies that arrangements should be 'effective and proportional' 'while ensuring economic efficiency'. There was no demonstrated evidence to require increased regulation.

The three tier, sub-option 2 model provides a harmonised approach to regulation which addresses COAG's goal of improving labour mobility through national licensing. It provides a rationalised system which reduces some aspects of regulation identified as unnecessary while continuing to preserve existing safeguards for consumers and workers. It provides more appropriate mechanisms for addressing risk than the two tier option and does not increase the existing regulatory burden, as would have occurred with the higher qualification requirements proposed in three tier, sub-option 1. The option follows, to a very large extent, the proposals for categories, scopes of regulated work, eligibility requirements and other licence elements developed by the Plumbing and Gasfitting Interim Advisory Committee (IAC) and it has industry support.

The automatic mutual recognition model is not the preferred model as, although it has the potential to provide for enhanced labour mobility, with lower immediate transition costs, the complexities of operating such a system mean that implementation would be extremely complex and would require close cooperation and coordination at all levels of policy development, regulation setting and compliance. Automatic mutual recognition would deliver fewer benefits and would give rise to a more complex, less transparent and more high-risk environment with far less opportunity for reduced regulation and a reduced prospect for the longevity of the reform over time compared with the preferred model, three tier, sub-option 2.

The three tier, sub-option 2 would deliver a benefit of \$318.41 million ten-year net present value, compared with a benefit of \$226.02 million for the three tier, sub-option 1. While the benefit of the preferred option is less than the \$566.67 million which could be realised under the two tier approach, the three tier, sub-option 2 does not imply the reduction in skills requirements and higher risks to consumers and workers associated with the two tier option.

6.2 Overview of the proposed national licensing approach to the plumbing and gasfitting occupations

6.2.1 Licence categories

- plumbing work
- drainage work
- general gasfitting work
- gasfitter Type B appliance work
- fire protection work
- mechanical services work
- restricted plumber (disconnect/reconnect) work
- restricted plumber (urban irrigation) work
- restricted fire protection (inspecting and testing) work.

6.2.2 Scope of regulated work

Table 6.1: Policy description of the proposed regulated work for the plumbing and gasfitting occupations

Category	Policy description of proposed regulated work
Plumbing work	<p>Plumbing work means sanitary plumbing work or water plumbing work.</p> <p><i>Sanitary plumbing work</i> means installing, replacing, repairing, altering, maintaining, commissioning or testing a sanitary plumbing system.</p> <p>Sanitary plumbing work <i>does not include</i> incidental work related to, and reasonably necessary for undertaking, the work referred to above or the inspection, cleaning or clearing of a sanitary plumbing system without altering existing sanitary plumbing fixtures.</p> <p>Water plumbing work means:</p> <ul style="list-style-type: none"> installing, replacing, repairing, altering, maintaining, commissioning or testing a water service, including installing a backflow prevention device or thermostatic mixing valve; or • constructing or installing a fire hydrant or hose reel installation. <p>Water plumbing work <i>does not include</i> the following:</p> <ul style="list-style-type: none"> • backflow prevention work • thermostatic mixing valve work • incidental work related to, and reasonably necessary for undertaking, the work referred to above • replacing a jumper valve or washer in a tap • changing a shower head or replacing tap ware • installing a water-restricting or flow-regulating device to a tap or fitting (including a showerhead) • connecting hoses from appliances such as dishwashers and clothes washing machines to taps • connecting an irrigation system or other device to a hose or tap for watering a garden or other irrigation purposes

Category	Policy description of proposed regulated work
	<ul style="list-style-type: none"> replacing a domestic water filter cartridge.
Drainage work	<p>Installing, replacing, repairing, altering, maintaining, commissioning or testing a sanitary drainage system.</p> <ul style="list-style-type: none"> Drainage work does not include: Incidental work related to, and reasonably necessary for undertaking, the work described above, for example the excavation or backfilling of trenches or other unskilled work. Inspecting (for example using closed circuit television), cleaning or clearing a sanitary drainage system using existing inspection openings or removable grates Cleaning or maintaining ground level grates to traps that form part of a sanitary drainage system Replacing caps to a ground level inspection opening that forms part of a sanitary drainage system
General gasfitting work	<p>Installing, replacing, repairing, altering, servicing, commissioning or testing:</p> <ul style="list-style-type: none"> any part of a gas system that is: <ul style="list-style-type: none"> involved with the supply of or use of gas up to a maximum pressure of 200kPa fitted downstream of the gas supply point the connection between a gas cylinder or tank and the first stage regulator a Type A gas appliance. <p>General gasfitting work <i>does not include</i>:</p> <ul style="list-style-type: none"> testing for leaks using a soapy solution when replacing a gas cylinder connecting or disconnecting a gas cylinder to remove, fill or refill the cylinder.
Gasfitter Type B appliance work	<p>Installing, replacing, repairing, altering, adjusting, servicing, testing or commissioning:</p> <ul style="list-style-type: none"> a Type B gas appliance downstream of the appliance's manual shut-off valve the manual shut-off valve of a Type B gas appliance. <p>Installing a Type B gas appliance includes installing the flue and ventilation of the appliance.</p> <p>Type B gas appliance work <i>does not include</i> servicing a stationary engine that is a Type B gas appliance if:</p> <ul style="list-style-type: none"> the fuel supply is turned off at an isolation valve the work does not include any work on the fuel supply to the engine.
Fire protection work	<p>Installing, replacing, repairing, altering, maintaining, commissioning or inspecting and testing a fire protection service that is connected to a water service.</p> <p>Fire protection work <i>does not include</i> incidental work related to, and reasonably necessary for undertaking, the work described above.</p>
Mechanical services work	<p>Installing, replacing, repairing, altering, maintaining, commissioning or testing a mechanical services system; and</p> <ul style="list-style-type: none"> in relation to a cooling tower, includes installing, replacing, repairing, altering, maintaining or testing a water pipe, valve, pump, automated dosing device, automated bleeding device or any other mechanical component that affects the cooling tower's cooling water flow rate or disposal of waste water from the cooling tower. <p>Mechanical services work <i>does not include</i>:</p> <ul style="list-style-type: none"> incidental work related to and reasonably necessary for undertaking the work referred to above; or

Category	Policy description of proposed regulated work
	<ul style="list-style-type: none"> • work related to the treatment of water used in a cooling tower • work on the cooling tower drift eliminator • work on refrigeration and air-conditioning equipment • the connection or disconnection of a mechanical services system from a water supply, other than the disconnection of the system from a water supply at an isolating valve adjacent to a mechanical component of the system • work on ducts.
Restricted plumber – (disconnect/reconnect) work	<p>Disconnecting, removing, or replacing a residential hot water heater including connecting or replacing any of the following unions or valves with a union or valve of the same or similar type:</p> <ul style="list-style-type: none"> • a compression union • a temperature/pressure relief valve • an expansion control valve. <p>Disconnect/reconnect work <i>does not include</i> the work referred to above if:</p> <ul style="list-style-type: none"> • the work involves a change to the existing pipes or valves for the hot water heater • the work involves the use of a flexible hose connection.
Restricted plumber (urban irrigation) work	<p>Installing, replacing, repairing, altering, maintaining, testing or commissioning any part of an irrigation system that is permanently connected to a water service.</p> <p>This restricted scope of work does not include:</p> <ul style="list-style-type: none"> • installing, altering, repairing, maintaining, commissioning or disconnecting a testable backflow prevention device; or • connecting an irrigation system to a hose or tap for watering a garden or other irrigation purposes. <p>(It should be noted that the definition of water service does not include pipe work or equipment used for the supply of non-drinking water for agricultural or irrigation purposes unless the water is supplied by a network utility operator or other water provider).</p>
Restricted fire protection (inspecting/testing) work	Inspecting and testing a fire protection service that is connected to a water service.
Thermostatic mixing valve work	Commissioning and maintaining thermostatic mixing valves.
Backflow prevention work	Maintaining and commissioning backflow prevention devices.

For a definition of the terms used in the proposed regulated work, see Attachment F.

6.2.3 Endorsements

- commissioning and maintaining thermostatic mixing valves
- commissioning and maintaining backflow prevention devices

Under the three tier, sub-option 2, these would apply to both the (full) licence and tradesperson registration levels.

6.2.4 Nominees

If a contractor does not hold a licence authorising them to undertake the relevant work, they must nominate the person who will undertake that work on their behalf. That person must be a director of the company contracting for the work, or an employee. A contractor is only able to contract for the regulated work that is applicable to the technical skills of the licensed nominee. It is proposed that jurisdictions that do not currently require nominees will be able to consider whether sub-contractors may be nominees in those jurisdictions. In jurisdictions where this occurs, a contractor that has only a sub-contractor nominee, and not a nominee who is a director or employee, will be unable to contract for work outside of the jurisdiction in which their principal place of business is located.

6.2.5 Exemptions

Table 6.2: Exemptions

Exemption	Exempt from licence category
A person who, in the person's capacity as an employee or contractor of a plumbing entity is carrying out regulated work on the entity's plumbing infrastructure.	All
An individual who is carrying out the regulated work under a contract of employment and training, or as a student undertaking competency-based training or assessment, for the purpose of gaining qualifications necessary for obtaining a licence and who is under the supervision of an individual who is licensed to carry out the regulated work without supervision.	All except a contractor
A person who is the holder of a prescribed authority (by whatever name called) and who, as part of carrying on business under that authority, contracts, for the provision of that regulated work other than under a contract of employment, with another person licensed to carry out that work.	Contractor
A person who is carrying out regulated work that is type B gas appliance work, if a law of a participating jurisdiction declares that an exemption applies to this person.	All

The National Law also provides that national regulations can be made to enable individual jurisdictions to make exemptions for individuals (may also apply to a class of persons) from the requirement to hold a licence to carry out the prescribed plumbing and gasfitting work in accordance with guidelines issued by NOLA from time to time.

6.2.6 Non-skill-based eligibility requirements

Personal probity requirements

Table 6.3: Personal probity requirements for applicants

Type of applicant	Role	Personal probity requirement
Individual or body corporate	Contractor	<p>Matters relating to criminal history, including:</p> <ul style="list-style-type: none"> • offences relating to dishonesty • offences relating to misleading or deceptive conduct • offences relating to a person's obligations under a law relating to occupational health and safety. <p>Matters relating to carrying out regulated work; engaging others to carry out regulated work, or advertising or offering to carry out regulated work unless the person carrying out the work is licensed or exempt including:</p> <ul style="list-style-type: none"> • within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law <p>Matters relating to business conduct. This means any action taken against a person under the <i>Corporations Act 2001</i> in relation to the following:</p> <ul style="list-style-type: none"> • failure to exercise powers with care and diligence • failure to exercise powers in good faith and for a proper purpose • misuse of position to gain advantage or cause detriment to a company • misuse of information obtained by virtue of the person's position to gain advantage or to cause detriment to a company • breach of the procedures under that Act when giving a financial benefit to a related party of a company • failure to comply with financial reporting requirements under that Act • breach of the duty not to trade insolvent.
Individual	Employee/Occupational	<ul style="list-style-type: none"> • within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law

Table 3.5: Personal probity requirements for other persons

Type of applicant	Other person who is required to have a personal probity check	Personal probity requirement
Body corporate applying for a contractor's licence	Relevant persons for a body corporate	<p>Matters relating to criminal history, including:</p> <ul style="list-style-type: none"> • offences relating to dishonesty • offences relating to misleading or deceptive conduct • offences relating to a person's obligations under a law relating to occupational health and safety. <p>Matters relating to carrying out regulated work; engaging others</p>

		<p>to carry out regulated work, or advertising or offering to carry out regulated work unless the person carrying out the work is licensed or exempt including:</p> <ul style="list-style-type: none"> • within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law <p>Matters relating to business conduct. This means any action taken against a person under the <i>Corporations Act 2001</i> in relation to the following:</p> <ul style="list-style-type: none"> • failure to exercise powers with care and diligence • failure to exercise powers in good faith and for a proper purpose • misuse of position to gain advantage or cause detriment to a company • misuse of information obtained by virtue of the person’s position to gain advantage or to cause detriment to a company • breach of the procedures under that Act when giving a financial benefit to a related party of a company • failure to comply with financial reporting requirements under that Act • breach of the duty not to trade insolvent.
<p>Individual or body corporate who is a member of a partnership</p>	<p>Relevant person for a partnership</p>	<p>Matters relating to criminal history, including:</p> <ul style="list-style-type: none"> • offences relating to dishonesty • offences relating to misleading or deceptive conduct • offences relating to a person’s obligations under a law relating to occupational health and safety. <p>Matters relating to carrying out regulated work; engaging others to carry out regulated work, or advertising or offering to carry out regulated work unless the person carrying out the work is licensed or exempt including:</p> <ul style="list-style-type: none"> • within the previous 5 years, been convicted of an offence under section 9,10 or 11 of the Law or a provision of a corresponding prior Act that corresponds to section 9, 10, or 11 of the Law <p>Matters relating to business conduct. This means any action taken against a person under the <i>Corporations Act 2001</i> in relation to the following:</p> <ul style="list-style-type: none"> • failure to exercise powers with care and diligence • failure to exercise powers in good faith and for a proper purpose • misuse of position to gain advantage or cause detriment to a company • misuse of information obtained by virtue of the person’s position to gain advantage or to cause detriment to a company • breach of the procedures under that Act when giving a financial benefit to a related party of a company • failure to comply with financial reporting requirements under that Act • breach of the duty not to trade insolvent.

Financial probity requirements

Table 6.5: Financial probity requirements

Type of applicant	Role (or licence category)	Financial probity requirement
Individual	Licensee	Failure to pay a penalty, fine or other amount required to be paid under the national law or a prescribed.
Individuals Person acting in the person's capacity as a member of a partnership Relevant persons for a body corporate or partnership Body corporate	Contractor	<p>A person who is bankrupt, insolvent, compounds with creditors, enters into a compromise or scheme of arrangement with creditors or otherwise applies to take the benefit of any law for the relief of bankrupt and insolvent debtors.</p> <p>A person has within the last five years been a relevant person for another person who, during that five-year period was bankrupt, insolvent, compounded with creditors or entered into a compromise or scheme of arrangement with creditors or otherwise applied to take the benefit of any law for the relief of bankruptcy or insolvent debtors.</p> <p>For a person that is a body corporate or a member of a partnership, a relevant person for the body corporate or member is bankrupt, insolvent, compounds with creditors, enters into a compromise or scheme of arrangement with creditors or otherwise applies to take benefit of any law for the relief of bankrupt or insolvent debtors.</p> <p>Failure to pay a penalty, fine or other amount ordered by a court or tribunal in relation to the occupation.</p>

6.2.7 Qualification-based eligibility requirements

Table 6.6: Tradesperson registration

Licence category	Qualification
Plumber	Completion of CPC32412 Certificate III in Plumbing OR CPC32512 Certificate III in Plumbing (Mechanical Services)
Drainer	Completion of CPC32412 Certificate III in Plumbing including the drainage stream and the unit of competency <i>CPCPSN3015A Install pre-treatment facilities</i> OR CPC20712 Certificate II in Drainage including the following units of competency: <ul style="list-style-type: none"> • CPCPSN3025A Install pre-treatment facilities; and • CPCPDR3021A Plan layout of a residential sanitary drainage system
General gasfitter	Completion of CPC32712 Certificate III in Gas Fitting including the follow elective units of competency: <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPCM3022A Weld polyethylene and polypropylene pipes using fusion method • CPCPCM3023A Fabricate and install non-ferrous pressure piping OR CPC32412 Certificate III in Plumbing including the gas services stream and the following elective units of competency: <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPGS3052A Maintain Type A gas appliances
Fire protection	Completion of CPC32812 Certificate III in Fire Protection

Licence category	Qualification
Mechanical services	CPC32512 Certificate III in Plumbing (Mechanical Services) including the sanitary stream OR CPC32412 Certificate III in Plumbing including the mechanical services stream

Table 6.7: (Full) licence level

Licence category	Qualification
Plumber	Hold a plumber (tradesperson registration) OR completion of either CPC32412 Certificate III in Plumbing OR CPC32512 Certificate III in Plumbing (Mechanical Services) PLUS Completion of the following units of competency from CPC40912 Certificate IV in Plumbing Services: Common compulsory units: <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work <i>Plumbing and services – Operations stream elective</i> <ul style="list-style-type: none"> • CPCPWT4011B Design and size heated and cold water services and systems • CPCPSN4011B Design and size sanitary plumbing systems
Drainer	Hold a drainer (tradesperson registration) OR completion of either CPC32412 Certificate III in Plumbing including the drainage Stream and the unit of competency CPCPSN3025A Install pre-treatment facilities OR CPC20712 Certificate II in Drainage including the following units of competency: <ul style="list-style-type: none"> • CPCPSN3025A Install pre-treatment facilities; and • CPCPDR3021A Plan layout of a residential sanitary drainage system PLUS Completion of the following units of competency from CPC40912 Certificate IV in Plumbing and Services: Common compulsory units: <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work <i>Plumbing and services – Operation stream core</i> <ul style="list-style-type: none"> • CPCPDR4011B Design and size sanitary drainage systems • CPCPDR4013B Design and size domestic treatment plant disposal systems

Licence category	Qualification
General gasfitter	<p>Hold a general gasfitter (tradesperson registration) or completion of CPC32712 Certificate III in Gas Fitting including the follow elective units of competency:</p> <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPCM3022A Weld polyethylene and polypropylene pipes using fusion method • CPCPCM3023A Fabricate and install non-ferrous pressure piping <p>OR</p> <p>CPC32412 Certificate III in Plumbing including the Gas Services Stream and the following elective units of competency:</p> <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPGS3052A Maintain Type A gas appliances <p>PLUS</p> <p>Completion of the following units of competency from CPC40912 Certificate IV in Plumbing and Services:</p> <p><i>Common compulsory units:</i></p> <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work <p><i>Plumbing and services – Operations stream electives:</i></p> <ul style="list-style-type: none"> • CPCPGS4011B Design and size consumer gas installations • CPCPGS4022B Service Type A gas appliances
Gasfitter type B appliances	<p>Hold a licence as a General gasfitter or the qualifications required to obtain a General gasfitter licence;</p> <p>PLUS</p> <p>Completion of the unit of competency CPCPGS4023A Install, commission and service Type B gas appliances</p>
Fire Protection	<p>Hold a fire protection work (tradesperson registration) or completion of CPC32812 Certificate III in Fire Protection</p> <p>PLUS</p> <p>Completion of the following units of competency from CPC40911 Certificate IV in Plumbing and Services:</p> <p><i>Common compulsory units:</i></p> <ul style="list-style-type: none"> • CPCPCM4011A Carry out work based risk control processes • CPCPCM4012A Estimate and cost work
Mechanical Services	<p>CPC32512 Certificate III in Plumbing (Mechanical Services) including the sanitary stream</p> <p>OR</p> <p>CPC32412 Certificate III in Plumbing including the mechanical services stream</p> <p>OR</p> <p>a mechanical services tradesperson registration I</p> <p>PLUS</p> <ul style="list-style-type: none"> • CPCPMS4011B Design, size and layout heating and cooling systems • CPCPCM4011A Carry out work based risk control process • CPCPCM4012A Estimate and cost work^a

Licence category	Qualification
Restricted plumber – (disconnect/reconnect) work	<p>Completion of the following units of competency from CPC32412 Certificate III in Plumbing:</p> <ul style="list-style-type: none"> CPCPCM2046A Use plumbing hand and power tools CPCPWT3023A Install and commission water heating systems <p>PLUS</p> <p>the following units of competency from CPC40912 Certificate IV in Plumbing and Services:</p> <ul style="list-style-type: none"> CPCPWT4023A Commission and maintain heated water temperature control devices
Restricted plumber – (urban irrigation) work	<p>Certificate II in Urban Irrigation CPC20911 including the follow elective units of competency:</p> <ul style="list-style-type: none"> CPCPWT3017A Connect irrigation systems from drinking water supply CPCPWT3015A Install water pump sets CPCPWT3019A Install water pipe systems CPCPWT3018A Install water service <p>OR</p> <p>Certificate III in Irrigation AHC32412 including the follow elective units of competency:</p> <ul style="list-style-type: none"> CPCPWT3017A Connect irrigation systems from drinking water supply AHCIRG309A Interpret and apply instructions to install pumps AHCIRG311A Install low volume irrigation components AHCIRG312A Install sprinkler irrigation components AHCIRG315A Interpret irrigation plans and drawings CPCPIG2011A Design domestic urban irrigation systems CPCPCM2003A Carry out OHS requirements <p>OR</p> <p>Certificate III in Plumbing (CPC32411) including the following elective units of competency:</p> <ul style="list-style-type: none"> CPCPWT3019A Install water pipe systems CPCPIG2011A Design domestic urban irrigation systems CPCPIG3011A Set out, install and commission irrigation systems CPCPIG3012A Install and commission domestic irrigation pumps CPCPIG2011A Design domestic urban irrigation systems
Restricted fire protection – (inspecting/ testing) work	CPP20511 Certificate II in Fire Protection Inspection and Testing

Table 6.8: Endorsements

Licence category	Qualification
Plumber licence – thermostatic mixing valves	<p>Plumber licence plus:</p> <p>Completion of CPCPWT4023A Commission and maintain heated water temperature control devices from CPC40912 Certificate IV in Plumbing and Services</p>
Plumber licence – backflow prevention devices	<p>Plumber licence plus:</p> <p>Completion of CPCPWT4022A Commission and maintain backflow prevention devices from CPC40912 Certificate IV in Plumbing and Services</p>
Plumber tradespersons registration – thermostatic mixing valves	<p>Plumber tradespersons registration plus:</p> <p>Completion of CPCPWT4023A Commission and maintain heated water temperature control devices from CPC40912 Certificate IV in Plumbing and Services</p>

Licence category	Qualification
Plumber tradespersons registration – backflow prevention devices	Plumber tradespersons registration plus: Completion of CPCPWT4022A Commission and maintain backflow prevention devices from CPC40912 Certificate IV in Plumbing and Services

Table 6.9: Provisional licence level

Licence category	Qualification
Plumber – Provisional (water and sanitary)	offshore technical skills record: a document issued by a Registered Training Organisation after a successful assessment against either of: CPC32412 Certificate III in Plumbing OR CPC32512 Certificate III in Plumbing (Mechanical Services)
Drainer – Provisional	offshore technical skills record: a document issued by a Registered Training Organisation after a successful assessment against CPC32412 Certificate III in Plumbing including the Drainage Stream and the unit of competency <i>CPCPSN3025A Install pre-treatment facilities.</i>
General gasfitter – provisional	offshore technical skills record: a document issued by a Registered Training Organisation after a successful assessment against either of: CPC32712 Certificate III in Gas Fitting including the follow elective units of competency: <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPCM3022A Weld polyethylene and polypropylene pipes using fusion method • CPCPCM3023A Fabricate and install non-ferrous pressure piping OR CPC32412 Certificate III in Plumbing including the Gas Services Stream and the following elective units of competency: <ul style="list-style-type: none"> • CPCPCM2049A Cut using oxy-LPG-acetylene equipment • CPCPGS3052A Maintain Type A gas appliances

6.2.8 Experience requirements

No additional requirement for a period of experience should be imposed as a licence eligibility requirement, following completion of an apprenticeship or in order to progress between different licence levels.

6.2.9 Additional testing

No additional testing will apply to applicants who have obtained the appropriate qualification for a licence.

6.2.10 Licence period

Proposed choice of one, three or five year licence period; as best meets the needs of individual licensees, providing a more flexible approach. A discussion on the rationale for this approach can be found at 3.2.10.

7 Implementation

7.1 Implementation of national licensing

National licensing will be implemented for the first wave occupations, including plumbing and gasfitting, following agreement to the reforms by the Standing Council for Federal Financial Relations (SCFFR). Its introduction will necessitate a number of structural and administrative changes to existing licensing arrangements.

A transition strategy is being developed, which includes the preparation of revised operational guidelines for the regulatory agencies involved, communications about the reform to regulatory staff, licensees and the wider public and agreed processes by which existing licensees (current or otherwise) and those in training for a licence are deemed across to the new system.

The National Occupational Licensing Authority (NOLA) was established in 2012 as the central body responsible for administration and policy and will be responsible for the implementation of national licensing.

Under the *Occupational Licensing National Law Act 2010* (the National Law), NOLA will delegate its responsibility for the operation of licensing services to nominated regulators in each state or territory that has adopted the National Law.

To assist with the implementation phase, NOLA is establishing Occupational Licensing Advisory Committees (OLACs) and regulator working groups for each licensed occupation. The OLACs will be made up of representatives from industry, unions and skills councils, as well as regulators and consumer groups.

It should be noted that national licensing will not encompass the standards and behaviour (conduct) of licensees once they have obtained a licence. These matters, together with compliance and enforcement, will remain the responsibility of states and territories.

NOLA will work with jurisdictions to achieve a smooth transition to national licensing. This will involve:

- Coordination and assistance with the development of consistent transitional provisions for jurisdictional legislation. Transitional arrangements will cover such issues as:
 - deeming current licence holders into national licensing
 - deeming administrative transactions, disciplinary/court processes and actions initiated before national licensing began
 - transitioning suspended and disqualified licensees
 - eligibility for those who initiated or completed training for a licence equivalent to a national licence before national licensing began
 - restoration of expired licences
 - eligibility for those in training for a restricted licence that will no longer exist under national licensing

- other implementation considerations such as the availability of relevant licensee data held by jurisdictional regulators in preparation for the commencement date, which might otherwise be restricted by jurisdictional privacy laws.
- Development of clear delegation instruments for jurisdictional regulators. Service agreements will be used to establish consistent licence requirements and service delivery standards for national licensing arrangements across jurisdictions.
- Development of clear operational procedures for jurisdictional regulator staff to ensure that the system is implemented consistently across jurisdictions and occupations.
- Development of standardised tools, forms and licence formats for use by jurisdictional regulators.
- Provision of training and ongoing support for jurisdictional regulator staff on new requirements, national business rules and business processes.
- Implementation of the national licensing register across each of the relevant jurisdictional regulators as their systems become compliant with national licensing and they can interface with the national register. The national licensing register will include prescribed information about licensees and former licensees for the licensed occupations. Where it can be justified NOLA aims to minimise the overall net cost of implementation by providing assistance and products in situations where otherwise there might be a duplication of effort by each jurisdiction. For example, it is recognised that each regulator has the challenge of data harmonisation before their data can be loaded into the national licensing register, and there will be areas of commonality where assistance from NOLA can potentially save time, effort and cost.
- Development of a range of communication tools to provide information to licensees and other stakeholders of changes which may affect them once the new system is implemented. These tools include direct communications (letters/emails), meetings with licensees and/or industry groups, website content and social media, fact sheets, brochures and a public information campaign.

7.2 Key steps in implementation

To address potential concerns of existing licensees at a time of change, the following arrangements have been developed surrounding how licensees will be notified of their national licence; the time frames to apply to the issue and use of those licences; and what they can expect from the new national licence numbering system:

7.2.1 Notification of national licence(s)

Prior to the commencement of national licensing for plumbing and gasfitting occupations, licensees will be contacted with advice on the impending changes and will be asked to provide information concerning their primary jurisdiction. Subsequently jurisdictional regulators will advise licensees by letter of the national licence they will hold following commencement of the system. It should be noted that current state and territory licences will be considered national licences when national licensing commences.

7.2.2 Issuing of new national licence documentation

It is proposed that new national licence documents will be provided to licensees at the time of renewal (rather than on commencement of national licensing). However, some jurisdictions may have the capacity to issue new licence documents to all licensees on the commencement date of national licensing for that occupation. Licensees will be advised by their jurisdictional regulator as to when a national licence document will be made available.

A new national licence numbering scheme is proposed where a unique national licence number would be assigned to each licensee that transitions to national licensing and to each new licensee after the system commences. The national system would identify each entity once only in the licensing database. It is also proposed that an individual, persons in a partnership or company should be able to hold multiple occupational licence categories under this single national licence number.

The proposed national licensing register would have the capacity to search for a licensee's new national licence number and all previously generated licence numbers.

It is proposed that there will be an agreed transitional period, yet to be determined, during which licensees can use either a jurisdictional or national licence number. After this time all licensees would be required to use their national licence number for identification purposes. The manner of how a licensee can advertise will be covered under existing jurisdictional conduct requirements.

Format of licence documentation

A combination of cards and certificates are currently issued by the jurisdictions. It was observed that the quality of cards and certificates varies greatly between jurisdictions. Commonly for property licensees only a certificate is produced. Cards for the other occupations varied greatly, ranging from laminated cardboard to high-quality cards produced to a similar standard to a driver's licence with photographic identification.

The National Law allows for an approved form of a national licence. One option proposed is that NOLA or its delegates (existing jurisdictional regulators) would issue:

- a licence card (similar to a driver's licence in size and content) for identification purposes when engaging with members of the public, employers or regulators
- a licence certificate to corporate entities.

Currently most jurisdictions, for some of the occupations, can issue a licence card with a photo. For example, Victoria, Queensland and the Northern Territory issue licence cards with photos for the plumbing occupations only. South Australia and Tasmania issue them to all the trade occupations. However, under national licensing NOLA would set the minimum requirements for standard national licence documents and jurisdictions would be required to issue national licences that comply with the requirements.

Note that the inclusion of photo identification on an individual's licence card would probably increase the cost of a licence where it is not currently provided by state-based regulators. It is possible that the cost of a photo licence could be minimised with the economy of scale of all participating jurisdictions.

7.3 Communication strategy for national licensing

Consultation about national licensing has taken place over several years with a range of stakeholders including state and territory governments, industry, employer and employee representatives and internal working groups.

As with any change to regulations, a communication awareness campaign will need to be undertaken to ensure licensees, consumers and other stakeholders are informed of changes that may affect them once the new system is implemented.

There should be two levels of an awareness campaign for national licensing; one at a jurisdictional level and one at a national level.

A jurisdictional campaign could include the following activities:

- direct communications (letters/emails)
- metropolitan and regional meetings with licensees
- website content and social media
- temporary call centre staffing
- public information campaign
- industry and public campaign management.

An estimated cost, drawing on a Victorian campaign of a similar scale to that suggested above, is approximately \$300,000 to \$350,000, and is based on approximately 22,000 licensees. The impact analysis contained in this RIS includes a qualitative estimate of the communication costs for governments during the transition period.

At a national level, NOLA would assist with the communication process by ensuring consistency of messaging through the www.nola.gov.au website, media releases and other media and social avenues. NOLA's board and the chief executive officer will consult with:

- ministers and governments
- business and industries
- other peak bodies, including employee and employer associations.

7.4 Review

The Standing Council will initiate an independent public review of the operation of the national licensing system, including the legislation establishing the system, in accordance with the IGA.

It is envisaged that the effectiveness of the NOLS reforms will be measured in a number of ways. These include assessment of the impact of NOLS on:

- labour mobility for nationally licensed occupations;
- administrative burdens on national licence holders;

- the consistency in regulatory requirements between jurisdictions for NOLS occupations; and
- deregulatory benefits for businesses and consumers.

The review will take place no earlier than five years from the commencement of the national licensing system and every 10 years thereafter.

Attachment A – Overview of the sector and existing licence requirements

Overview of the plumbing and gasfitting sector

The plumbing and gasfitting industry in Australia is a specialist occupation within the building industry. It is one of the largest of the special construction trades, consisting of over 160,000 plumbing and gasfitting licensees across the country. In 2012–13, the industry is expected to generate revenue totalling \$12.8 billion, consistently representing approximately 0.4 per cent of Australia's GDP.²⁷ The industry derives approximately 30 per cent of its revenue from new residential construction and a further 35 per cent from premises requiring alterations and maintenance work in the residential building market.²⁸

In general terms, plumbing work includes the installation, repair and maintenance of plumbing systems relating to the supply of clean water and removal of wastewater, the removal of effluent, and the pipes, fittings, fixtures, connections and valves necessary for the system. Gasfitting work is the installation, replacement, repair, alteration, servicing or testing of a gas system downstream of the gas supply point.

Plumbers and gasfitters perform a number of specialised and generic tasks, including:

- water (supply) plumbing work
- sanitary plumbing
- drainage work
- fire protection
- urban irrigation
- mechanical services
- roof plumbing
- gasfitting
- LPG gasfitting.

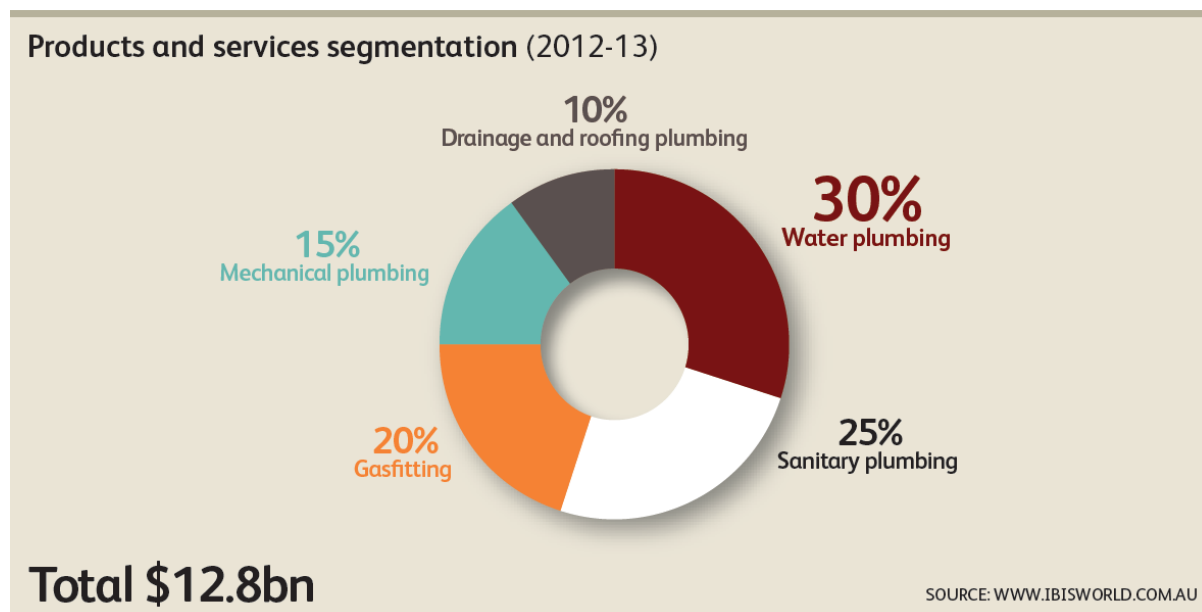
Although most qualified plumbers possess the basic set of skills necessary to complete most jobs, sectors of the industry have specialised in different areas. The main product and services segmentation is represented in Figure A.1. The market for plumbing and gasfitting services is not overly segmented, but generally the key service areas are water, sanitary plumbing and gasfitting. This is reflected in the Plumbing and Gasfitting Certificate III qualification, which requires a participant to do a minimum of four streams of which two streams (water and sanitary streams) are

²⁷ IBISWorld 2012, Plumbing services in Australia, Industry Report E4231.

²⁸ IBISWorld 2012, Plumbing services in Australia, Industry Report E4231.

compulsory and two streams are electives. A separate qualification is available for those who wish to specialise in gasfitting.

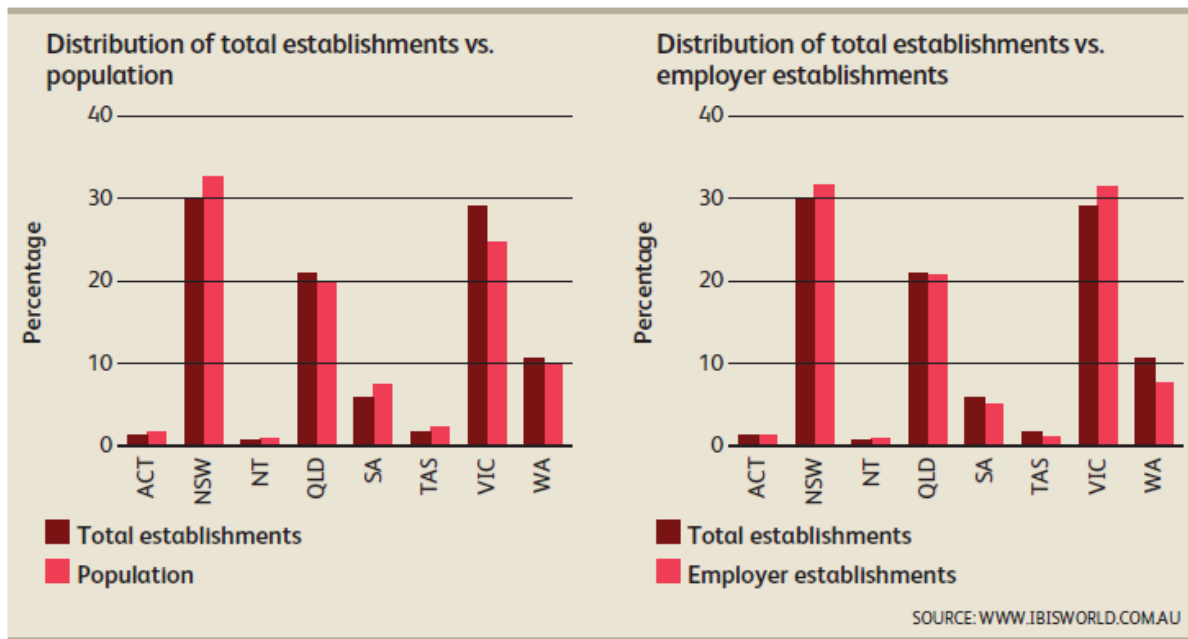
Figure A.1: Products and services segmentation in Australia's plumbing and gasfitting industry (2012-13)



Source: IBISWorld December 2012, Plumbing services in Australia, Industry Report E4231.

The industry is dominated by a number of small-scale operators who usually operate in a distinct geographic area, with only 2 per cent of the industry's employers having a workforce exceeding 20 employees and only six out of over 25,000 businesses hiring more than 200. The four largest companies in the industry make up less than 5 per cent of market share concentration. Given the large number of small operators, the distribution of those in the industry corresponds closely with the distribution of the national population and economic activity. New South Wales accounts for approximately 33.5 per cent of industry employment, which is broadly consistent with the state's share of national population and GDP. Victoria accounts for about 29 per cent of industry employment and 31 per cent of industry establishments with employees, which significantly exceeds the state's share of national population and GDP (about 25-26 per cent annually). This partly reflects the high proportion of single dwelling constructions and higher dependence on gas as opposed to electricity compared with other states. The distribution of total establishment versus employer establishments in each state is shown in Figure A.2 below.

Figure A.2: Products and services segmentation in Australia’s plumbing and gasfitting industry (2012–13)



Source: IBISWorld December 2012, Industry Report E4231: Plumbing services in Australia.

According to one report from IBISWorld, the industry has been restrained from high levels of growth due to ‘constraints in skilled labour. Skills shortages impose a significant restraint on industry activity in times of strong demand. Contractors can be limited in their ability to take up business opportunities due to the lack of more specialised tradespeople with the basic plumber’s licence focusing on relatively narrow segments of the industry.

Fly-in and fly-out work arrangements are a rapidly growing area particularly in the mining and resources sector. Skills Australia suggests that employment growth in mining operations will increase by 89,004 persons from 2010 to 2016, with annual average growth in employment in mining operations of 7.9 per cent over this period.²⁹ Plumbers feature as one of these growth employment areas. Plumbers were identified as one of only two construction trades in skills shortage at September 2011 in a Department of Education, Employment and Workplace Relations report on the construction trades (ISSN 1839-8553), which also notes that a shortage of plumbers had been evident for ‘nine of the past ten years’.

Regulatory framework

The occupational licensing of plumbers and gasfitters is typically undertaken by small dedicated licensing boards, or larger generic regulators responsible for the occupational licensing of a number of occupations. A list of the relevant regulators for each jurisdiction is shown in Table A.1.

²⁹ Skills Australia, Employment growth projection in mining operations (less oil and gas), 2010–2016, p. 4.

Table A.1: State and territory regulators of plumbing and gasfitting

State or territory	Regulator
NSW	NSW Fair Trading, Department of Finance and Services
VIC	Plumbing Industry Commission
QLD	Plumbing Industry Council (occupational licensing of plumbers and drainers, restricted or endorsed plumbing work) Petroleum and Gas Inspectorate, Department of Natural Resources and Mines (occupational licensing of gasfitters) Queensland Building Services Authority (trade contractor licensing of plumbers, drainers and gasfitters)
WA	Energy Safety (Gasfitting) Plumbers Licensing Board
SA	Consumer and Business Services
TAS	Workplace Standards
ACT	Planning and Land Authority
NT	Plumbers and Drainers Licensing Board (plumbers and drainers) NT Worksafe (gasfitters)

- In Queensland the responsibility for the occupational licensing of plumbers, drainers and gasfitters is handled by three separate agencies. The Plumbing Industry Council, the Petroleum and Gas Inspectorate, Department of Natural Resources and Mines and the Queensland Building Service Authority.
- In Victoria, the Plumbing Industry Commission is responsible for issuing licences which authorise plumbers to undertake and certify plumbing and gasfitting work.
- In Western Australia and the Northern Territory, the occupational licensing of plumbers is undertaken by a separate board, with the responsibility for the licensing of gasfitters resting with a separate regulator.
- In Queensland and Western Australia, responsibility for licensing of gasfitters rests with dedicated energy safety agencies.
- In New South Wales, South Australia, Tasmania and the Australian Capital Territory, occupational licensing of plumbers and gasfitters is undertaken by generic regulators, who have responsibility for the licensing of a range of occupations that typically includes other classes of trade contractor.

Overview of existing licensing requirements

Plumbing and gasfitting occupations are licensed differently across the jurisdictions. For the purpose of comparing licensing regimes, ten separate licence categories have been identified. Each of these is considered in turn below.

Plumbing work

Currently all jurisdictions, other than Victoria and Tasmania, licence a category of plumbing work, which at a minimum includes water supply and sanitary plumbing work. All jurisdictions that license this category at the tradesperson registration (supervised) licence level, except Western Australia, require completion of a Certificate III in Plumbing as the qualification requirement. However, the streams that must be completed vary according to the scope of the work covered by the licence. At a minimum, the water and sanitary streams are required. In addition, Queensland requires additional units of competency; South Australia requires completion of the drainage stream; and the Australian Capital Territory requires completion of the drainage and gas streams. In Western Australia, the minimum qualification requirement for a supervised licence is a Certificate IV level qualification. In New South Wales, Queensland, Western Australia and the Australian Capital Territory, the qualification requirement is expressed as completion of an apprenticeship. Some jurisdictions have additional requirements such as an experience requirement (New South Wales, Queensland and Western Australia).

Of the jurisdictions that provide for a tradesperson registration (supervised) licence in the category of plumbing work, all also issue an unsupervised (full) licence and/or a contractor licence. The qualification requirements for an unsupervised (full) level licence and a contractor who is qualified to do the work are the completion of certain units of competency at the Certificate IV level from the CPC08 or BCP03 training packages. Queensland and South Australia also require the completion of business units.

Water (supply) plumbing work

All jurisdictions, other than Queensland, the Australian Capital Territory and the Northern Territory, offer a separate licence in the category of water supply at the equivalent of the supervised/tradesperson level. In some cases the licence is issued as a restricted licence (Western Australia and South Australia). In New South Wales, Victoria and Tasmania, the qualification requirement at this level is a Certificate III. In these cases, New South Wales and Tasmania use the training package according to the rules of what is a core unit (that is, electives remain elective), while Victoria lists units of competency that must be completed (that is, certain elective units are made mandatory).

All jurisdictions that provide for a water supply licence have an unsupervised/full (certifier/qualified supervisor) and/or contractor level. In addition, the Australian Capital Territory, which does not offer a water supply licence at the supervised level, does offer one at unsupervised (full) and contractor level. As is the case for the tradesperson registration (supervised) level, Western Australia and South Australia issue this licence as a restricted plumbing work licence. New South Wales, Victoria, Tasmania and the Australian Capital Territory require an applicant to be eligible for the tradesperson registration (equivalent of supervised) licence (in the case of the Australian Capital Territory, tradesperson plumbing work licence) as well as having some additional Certificate IV competencies from the CPC08 or BCP03 training packages. Victoria, South Australia and Tasmania also require competency in a business unit from the BSB07 training package.

Sanitary plumbing

Sanitary plumbing is only separately licensed in Victoria, Western Australia, South Australia and Tasmania. In Western Australia and South Australia it is issued as a restricted plumbing work licence. At the tradesperson registration level, both Victoria and Tasmania require a Certificate III in

Plumbing and additional Certificate IV competencies at the unsupervised/(full) and contractor level. Both also require completion of an apprenticeship or, for Victoria, a specified period of relevant employment.

Drainage work

Drainage work is licensed in all jurisdictions. Western Australia and South Australia issue this licence as a restricted plumbing work licence. In Queensland the requirement is a Certificate II in drainage plus six additional units of competency and one year of experience. In all the other jurisdictions the required qualification is the Certificate III in Plumbing or the Certificate II in Draining. For those completing the Certificate III in Plumbing, some jurisdictions specify that the draining stream must be included.

Fire protection

Fire protection work is only separately licensed in New South Wales, Victoria and Queensland.

In Queensland, fire protection is regulated by the Queensland Building Services Authority under various occupational and contractor licences. The prescribed qualifications for these licences varies with some requiring the Certificate IV in Fire Systems Compliance (Hydrants, Sprinklers and Pump-Sets), which is a Queensland-specific state accredited course, rather than a qualification from the CPC08 or BCP03 training packages.

At the tradesperson registration (or supervised) level in both New South Wales and Victoria, the Certificate III in Plumbing is required, including set units of competency in fire protection. In addition, New South Wales accepts the Certificate III in Fire Protection. Completion of a relevant apprenticeship is a pathway to a licence in both jurisdictions. At the contractor level in New South Wales or unsupervised/(full) licence level in Victoria, both jurisdictions require the applicant to be eligible for a tradesperson licence as well as having additional Certificate IV competencies from the CPC08 training package. Victoria also requires one unit in business competencies from the BSB07 training package.

Mechanical services

Mechanical services work is licensed in Victoria, Queensland and Tasmania. In Queensland, this work is licensed as refrigeration, air-conditioning and mechanical services and is not considered as plumbing work. Licensing is offered at the contractor level only. At the tradesperson registration (equivalent of supervised) level, Tasmania requires the Certificate III in Plumbing (Mechanical Services), while Victoria requires the Certificate III in Plumbing and lists certain units of competency that must be achieved. Both Victoria and Tasmania require the completion of an apprenticeship or, for Victoria, a specified period of relevant employment. At the unsupervised/(full) licence or contractor level, both Victoria and Tasmania require additional Certificate IV competencies to achieve a licensing outcome.

Gasfitting

Gasfitting work is licensed in all jurisdictions. However, in Queensland, Western Australia, the Australian Capital Territory, Tasmania and the Northern Territory, gasfitting is regulated separately from plumbing work.

At the tradesperson registration (supervised) level, the Certificate III in Plumbing (including the gas stream) and Certificate III in Gas Fitting are used as a pathway in all jurisdictions other than Victoria, Tasmania and the Australian Capital Territory. Tasmania does not issue an unsupervised/(full) licence. Where gasfitting is licensed as part of a plumbing licence, in Victoria and in Tasmania, an apprenticeship is required to be completed. In Victoria, a specified period of relevant employment experience is also accepted. To be licensed at the qualified supervisor or contractor level (depending on the term used) all jurisdictions other than Western Australia require the completion of additional competencies from the Certificate IV in Plumbing and Services training package. New South Wales, Queensland, and the Australian Capital Territory also have an additional experience requirement.

In Queensland the Gas Work Licence covers the scope of Type A gas work. It requires completion of a Certificate III in Plumbing or Certificate III in Gas Fitting. For a full licence extra Certificate IV competencies are also required. To contract with the public or a builder it is necessary to obtain a gasfitting contractor licence from the Queensland Building Services Authority.

In Western Australia, a Certificate II in Gas Fitting can be used as a pathway to a gas licence.

Victoria issues a restricted licence which covers Type A appliances and two specialised classes of licence for Type A servicing and Type A conversion work.

In New South Wales, to be granted a Type A licence an applicant must be eligible for a gasfitting licence, have additional Certificate IV competencies and have an additional two years' experience.

Gasfitting Type B

Licensing of Type B gasfitting varies across jurisdictions. In New South Wales, to be granted a Type B licence an applicant must be eligible for a gasfitting licence, have additional Certificate IV competencies and have an additional two years' experience. In Queensland, Type B gas is regulated under an authorisation rather than a licence.

To hold the Type B licence in Victoria, a Type B registration is required, plus the holding of a general gasfitting licence, the holding of a disconnect/reconnect licence and completion of a competency examination. The Type B registration requires the holding of a gasfitting registration, the holding of a disconnect/reconnect licence, completion of a competency examination and employment for two years in Type B gasfitting work.

Attachment B – List of submissions

Table B.1 contains a list of submissions to the plumbing and gasfitting occupation Consultation RIS from organisations, industry associations or an individual. A number of submissions are not included in the table for the following reasons:

- permission for publishing not given; or
- submission is from a government agency; or
- individual has not identified themselves with a full name

All submissions, except those not giving permission for publishing or from a government agency, can be found on the NOLA website www.nola.gov.au.

Table B.1: List of submissions provided by organisations, industry associations and individuals

Submissions provided by organisation/industry associations	
A Betta Plumbing Services Pty Ltd	Dean, Steve
A Betta Plumbing Services Pty Ltd	Dean, Geoffrey
A C Forster & Sons	Foster, Ryan
A.D.I.T Services Pty Ltd	Llewellyn, Pauline
AAA Plumbing and Gasfitting	McAlister, Bruce
ABC Pumps and Irrigation	Bembic, Walter
Ackerley Plumbing Services Pty Ltd	Arkerley, Steven
ADCO Plumbing	Micallef, Silvano
Adelaide 5 Star Plumbing	Jesse, Richard
Advanced Pump Technologies Pty Ltd	Dean, Andrew
AG Green Enviro Plumbing	Chiron, Adam Richard
Air Conditioning & Mechanical Contractors Association	Eynon, David
Air Systems Engineering	Brent, Rex H
Aitchison Plumbing Services	Aitchison, Mark
AK Blair Plumbing	Blair, Michael
AkwaWorx P/L	Hales, Ralph
AkwaWorx P/L	
Aland Plumbing	Aland, Philip
All 4 Plumbing Works	de Villier, Barend
All About Plumbing (QLD) Pty Ltd	Chetcuti, Zac
All About Plumbing (QLD) Pty Ltd	Draper, Danny
All About Plumbing (QLD) Pty Ltd	Kelly, John
All Scale Plumbing & Drainage	Andricciola, John
All Sub Plumbing & Maintenance Victoria Pty Ltd	

Submissions provided by organisation/industry associations	
ALLFIRE Systems (Vic) Pty Ltd	Hobbs, Robert
AllGeneral Whitegoods	Ferguson, Scott
Alliance Plumbing (QLD) Pty Ltd	Shipman, Gilbert
AllStaff Airconditioning	Parry, Mike
Allstyle Maintenance	Allsop, Bradley
Alpha Group Consulting	Oster, Shane
Altona Plumbing and Civil	Byrne, Kim D
AMR Plumbing & Gas	Beavis, Noel
Andrew J Robertson Plumbing Pty Ltd	Robertson Andrew
Android Plumbing	Allbeury, Simon
Anemos Heating & Cooling	
Ansa Plumbing	Quire, Rick
Ant Plumbing	Champness, Anthony
Anything Reptiles	Brodie, Lynne & Shane
Anytime on Tap Anytime Plumbing Services	Bennett, Michael
Appliance Industry Association	Jones, Lew
Aquabase Plumbing	Bell, Robert
Aqua-Power Pumping & Irrigation	Read, Nigel
Aquatherm Pty Ltd	Schneider, Nikolaus
Arc's Plumbing & Gas	Haase, Joachim
Arup	Borthwick, Joshua
Ashdowns Plumbing Maintenance	Ashdown, John
Ashley Klease Plumbing	Kleese, Ashley
Ashley's Plumbing & Gas Fitting	Zischke, Ashley
Association of Hydraulic Services Consultants Australia Inc. (Victorian Chapter)	Alexander, Mark
Aus Star Plumbing & Gas	Byrne, Bradly
Australia Industrial Marketing	
Australia New Zealand Industrial	Walton, Kathryn
Australian Fire Services Testing	Bruce, Dan
Australian Institute of Building	
Australian Master Tilers Association	
Australian Mesh	Barnes, Paul
Australian Pipelining Supplies	Jones, Matthew
Ayres Plumbing	Ayres, Chris
B.E & P.E Jones Pty Ltd	Jones, Anthony
B.R.I.T	Valente, Gary

Submissions provided by organisation/industry associations	
Badcock Irrigation Services	Badcock, Robin
Baldocks Plumbing Service	Baldock, Colin
Baldwin's Plumbing & Gas	McCleery, Debbie Lee
Ballajura Plumbing & Gas	Mills, Ian
Banboy	Timmer, Daniel
Banboy	Bancroft, Guy
Banboy	McPherson, Shirley
Banboy	Fraser, Simon
Banjo Nominees Pty Ltd	Patterson, John
Banksia Plumbing & Gas	Mill, Graham
Barden-Steeldeck Industries Pty Ltd	Shacklock, Michael
Barden-Steeldeck Industries Pty Ltd	Mullins, Nick
Barden-Steeldeck Industries Pty Ltd	Hansen, Robert
Bartels Plumbing	Bartels, Jason
BartMax	Bartlett, Alan
Batavia Plumbing	Smith, William
Batescrew Pumps & Valves Australia	Bate, Michael
Bay City Plumbing	Cooke, Robert
Bayside Construction	Pederson, Jenny
Bayside Gas Appliances	Hyland, Brenton
Bayside Gas Appliances	Caldwell David
Bayside Gas Appliances	Shepherd, J
Bayside Gas Appliances	Weils, John
Bayside Gas Appliances	Coulter Josh
Bayside Gas Appliances	Bladin, Simon
Bayside Gas Appliances	Vand, T
Beaudesert Plumbing	Grodecki, Joseph
Beverly Gas and Plumbing	Seeber, Gerard J
Bickeighvale Plumbing	Clarke, Damien
BioCycle JOWA Group Pty Ltd	Watkins, John
BIZMATRIX Pty Ltd	Vecchio, Darrel
Blackmores Power and Water	Warne, Robert
Blasko Plumbing Services	Blasko, L G
Blaze Control (Vic) Pty Ltd	Hayes, William J
Blue Arrow Plumbing Services	O'Brien, Tom
Blue Diamond Plumbing	Diamond, Rod
Blue Summit Plumbing	O'Connor, James

Submissions provided by organisation/industry associations

Blue-tec Plumbing	Male, Andrew
BMH Roof Worx Pty Ltd	Hay, Brenton
Bob Honeybrook Plumbing Services	Honeybrook, Robert
Bones Murray Plumbing	Treagus, David
Bourke and Sons constructions	Bourke, Stephen
Braeside Plumbing & Drainage	McLachlan, Travis
Branjar Plumbing	Schonfelder, Brandt
Brendon McClement Plumbing	McClement, Brendon
Brett the Gutter Man	Burmeister, Brett
Brian Potter Plumbing & Roofing	Potter, Brian
Brisbane Gas Sydney Gas	Bastin, Greg
Broadwater	Kanaris, Tony
Brooks Plumbing	Brooks, Peter
Bury Plumbing	Bury, Andrew
Bushaven Plumbing Services	Hamilton, Rod
Business Council of Australia	Westacott, Jennifer
C&C Roofing	Carrigg, Anthony
C.A. & M.E Robertson & Son P/L	Robertson, Allan
C.M.C Roof Plumbing Pty Ltd	McCormack, Chris
Capital Plumbing	Burt, Sally
Carlton Plumbing Services P/L	Martin, Carl
Cater Fix Pty Ltd	Coveny, Colin
Central Roofing Supplies	Bealey, Garth
Centreside Plumbing	O'Leary, Paul
Chadoak Pty Ltd	Manks, Glenn
Chadoak Pty Ltd	Dendle, Chris
Chadoak Pty Ltd	Manks, Glenn
Chadoak Pty Ltd	Miles, Greg
Chadoak Pty Ltd	Griffin, Jim
Chadoak Pty Ltd	Lewis, John
Chadoak Pty Ltd	Cogan, Paul
Chadoak Pty Ltd	Griffin, Paul
Chadoak Pty Ltd	Griffin, Peter
Chadoak Pty Ltd	Condon, Sean
Chadoak Pty Ltd	Wadley, Steve
Champayne Plumbing and Gas	Payne, David
Champion Plumbing & Gas	Campion, John

Submissions provided by organisation/industry associations

Chapman & Rivett (SA) Pty Ltd	
Chisholm Institute of TAFE	Davies, James
Chisholm Institute of TAFE	Hay, Shelly
Choice One Plumbing	Buckingham, Shaun
Chris Cash Plumbing & Gas Fitting	Cash, Christopher
Chris Penny Plumbing	Hull, Chris
City Edge Plumbing Pty Ltd	Maggio, Nick
Clinton and Co Plumbers and Gasfitters	Goldfinch, Clinton
Cloacina Consulting	Coghlan, John R
CMC Plumbing Solutions	Collins, Carje
Coleambally Irrigation	Kelly, Kevin
Communications, Electrical and Plumbing Union	Setches, Earl
Cooke & Dowsett (SA) Pty Ltd	Cooke, Chadd
Cooke & Dowsett Pty Ltd	Dawber, Darren
Cooke & Dowsett Pty Ltd	Dimieri, Luke
Cooke & Dowsett Pty Ltd	McHenry, Ross
Cooke & Dowsett Pty Ltd	Dowsett, Scott
Cooke & Dowsett Pty Ltd	Sullivan, Mark
Cooke & Dowsett Pty Ltd	Wansink, Jim
Cooke & Dowsett Pty Ltd	Sullivan, Mark
Cooke & Dowsett Pty Ltd	McCubbin, Nick
Cooper & Jones Plumbing	Watson, Larry
Coral Coast Plumbing Pty Ltd	Chaplin, Jason
Corbett Plumbing	Corbett, Tony Newton
Cousins Roofing	
Cowell Plumbing & Gas	Smith, Corey
CPS Plumbing Pty Ltd	Wood, Bryan
CQ Pump & Irrigation Services	
Creative Plumbing Pty Ltd	Poulter, Horton David
Crewther Plumbing Building	Crewther, David
Cugleys Plumbing	Cugley, John
D & K Evans Plumbing	Evans, Darren
D A Wilkinson Plumbing	Wilkinson, David
D G & L M Nunn Plumbers	Nunn, Donald
D.J.Kett Plumbing Services Pty Ltd	Kett, Damien
D.W. Grout Pty Ltd	Grout, Darryl
Daley's Water Service P/L	Daley, Pat

Submissions provided by organisation/industry associations

Damien's Plumbing Services (QLD) Pty Ltd	Bonner, Damien
Darebin Gas	Smyth, Greg
Darrell Tweed Plumbing Supplies	Tweed, Darrel
Darwin Irrigation Water Dynamics	Day, Nick
DCM Plumbing & Drainage Pty Ltd	Mathews, Dean
Dee Why Plumbers	
Denmark Plumbing Service	Hockley, Darin
Denmark Plumbing Service	Hockley, Merv
Devon Meadows Plumbing	Brady, Tony
Dickson Plumbing Services	Dickson, Dougal
Diploma Plumbing/MYPLUMBERWA	Grant, Ronald
Dirt Red Plumbing Solutions	Skelly, Mick
Diverse Plumbing and Gas Pty Ltd	Jones, Michael
DMC Drainage Pty Ltd	Couzens, Daniel
DNT Plumbing and Gasfitting	Stewart, Darren
Doug Kelly Plumbing	Kelly, Doug
Doug's Plumbing Services	Elsom, Doug
Dowdens Pumping and Water	Loomes, David
Doyle's Plumbing	Doyle, Eddie
Doysal Plumbing Pty Ltd	Naylor, Arnold
DPM Precision Roof Plumbing	Marshall, Damien
Drip Stopper	Visser, Anton
Dunstone Bros Plumbing	Dunstone, Ben
DW & AE Brigham	Brigham, David
Dynapumps	
E.J Denaro & Sons	Denaro, David
East and Hills Plumbing	Lakin, Robert Alan
Eastern Plumbing Works	Campbell, Neil
Ebara Pumps Australia	Marchant, Trevor
Edmonton Plumbing	Barry, Bruce
EGABVA Plumbing and Gas Services	Rowe, Derek
EGC Plumbing and Gas Services	Ellis, Simon
Eitech Services Pty Ltd	Screaigh, Paul
Elliotts Irrigation Pty Ltd	Taylor, Elliot
Endurance Plumbing and Gas	Dorrington, Matthew
Entire Plumbing	McCleary, Matthew
Enviro Green Plumbers and Civil	Berkelaar, Colin

Submissions provided by organisation/industry associations	
Everlast Plumbing Service	Juchno, Darrell
Falla Plumbing Pty Ltd	Falla, Guy Richard
Field Plumbing Maintenance Pty Ltd	Field, R G
Fire Protection Association	Wright, Matthew
Firesafe Resources & Industrial Pty Ltd	Zubrinich, Daryl
Firesafe Systems Pty Ltd	Morrone, Jason E
Firetec Pty Ltd	Findlay, Scott
Firewize	Porteous, R
Fletcher Plumbing & Co Pty Ltd	Fletcher, Paul
Fletcher Plumbing & Co Pty Ltd	Fletcher, Robert C
Fleurieu Irrigation & Property Maintenance Pty Ltd	Hueppauff, Kym
Fluid Plumbing Services Pty Ltd	Havis, Richard
Foris Irrigation	Carter, Paul
Frank Giannini Plumbing Services	Giannini, Frank
Frank Hill Roofing Contractors Pty Ltd	Hill, Frank
Frankhull Plumbing	Vandeleur, Peter
Franklin Electric	Bonney, Godfred
Fransen Plumbing Pty Ltd	Fransen, Tom
Freedom Irrigation	Thompson, David
Freewater Plumbing Pty Ltd	Dillon, Darren
Fudges Plumbing	Fudge, Andrew
Full Flow Plumbing Pty Ltd	Caruana, Peter
Fusion Plumbers and Gas Fitters	Furlong, Wes
G & G Plumbing	Hayes, Greg
G&B Paternoster Pty Ltd	Paternoster, Garry Robert
G.M.D. Plumbing Pty Ltd	Michaelides, Geoff
G4 Plumbing & Drainage	Gallichio, Matt
GA Perry Plumbing Gas and Electrical	Ritchie, Ken
Gaffco	
Gainsite Plumbing & Gas Pty Ltd	Robinson, Dale
Gascoyne Water Co-operative Limited	Kaczmarczyk, Leo
Gasmania Gas and Plumbing	Jones, Adrian M
Gasquip Pty Ltd	Murphy, Eric
GC Holdings Pty Ltd	Cook, Geoff
GC Plumbing	
Geschike Pty Ltd	Geschke, John
Get on Top Roof Plumbing Pty Ltd	

Submissions provided by organisation/industry associations	
Gierke Pumps & Irrigation	Gierke, John
Glen Dimplex Australia	Colthurst, Steve
Glenelg North Plumbers Pty Ltd	Kolodziejczyk, John
GMR Mechanical Services	Simmonds, Mark
Go Green Plumbing and Gas	Gilmour, Stephen
Gold Medal Services	Maclean, John
Goolwa Pump & Electrical	Fidock, Stephen
GOTAFE	Redfern, Leonard
Grant Chugg Plumbing Services	Fry, David
Greene Eden Watering Systems Pty Ltd	Eden, Kathryn
Greg Parr Plumbing	Parr, Gregory
Greg Salter Plumbing	Crerar, Dwayne
Griepink & Ward Air Conditioning	Hicks, Andrew
Griepink & Ward Air Conditioning	Ward, Baden
Griepink & Ward Air Conditioning	McDonald, Ben
Griepink & Ward Air Conditioning	O'Drisoll, Bradley
Griepink & Ward Air Conditioning	Sandry, Brett
Griepink & Ward Air Conditioning	Reynolds, Jaeson
Griepink & Ward Air Conditioning	Azzopardi, Peter
Griepink & Ward Air Conditioning	Elwood, Sam
Groteh Services	
GT Heating and Air Conditioning Pty Ltd	Trafford, Garry
GTSW	
Hames Reid Plumbing	Hames, Kevin
Hamilton Fire Protection	Hamilton, Ryan
Hardiman Plumbing Pty Ltd	Cadzow, Peter
Harris & Thorn	Harris, Adrian
Harris & Thorn	Thorn, Richard
Hartley Plumbing Pty Ltd	Hartley, Graeme
Harvey Plumbers Pty Ltd	Simon, Anthony
Herrings Coastal Plumbing & Gas Fitting Services	Kingdon, Brad
Herrings Coastal Plumbing & Gas Fitting Services	Ellison, Kris
Herrings Coastal Plumbing & Gas Fitting Services	Herring, Chris
Herrings Coastal Plumbing & Gas Fitting Services	Horner, Dylan
Herrings Coastal Plumbing & Gas Fitting Services	Sherrah, Kym
Herrings Coastal Plumbing & Gas Fitting Services	Chester, Matt
Herrings Coastal Plumbing & Gas Fitting Services	Mounsey, Matt

Submissions provided by organisation/industry associations	
Herrings Coastal Plumbing & Gas Fitting Services	Depina, Robert
Hetherington Plumbing Services Pty Ltd	Hetherington, Neville
Hewcon Group	Pozzebon, Dennis
Hills Irrigation Services/ Lenswood Gas Centre	Flavell, Roger
Hindmarsh Plumbing	Pavan, Rob & Magookin, Kym
Hirth Plumbing Solahart	Anderson, Nicholas
Hoges Plumbing	Hogarth, Peter
Holmesglen Institute	Leopold, Mark
Horseshoe Bay Plumbing Service	Harris, Phoebe
Horseshoe Bay Plumbing Service	Donaldson, Simon
Horseshoe Bay Plumbing Service	Harris, Trevor
Horseshoe Bay Plumbing Service	Crawford, Melanie
Horseshoe Bay Plumbing Service	Higgins, Glenn
Horticultural Services	Bibby, Lee
Housing Industry Association	Humphrey, David
Howrah Plumbing Pty Ltd	Verdouw, Hans
H-R Products	Olivieri, Les
Hunter Industries	
Hydralec	Griffiths, Charlie
HydroPlan	Gransbury, John
I.D.F. Plumbing Service	Fowler, Ian
Ian Jones Plumbing	Jones, Ian
Icon Plumbing & Gasfitting	Monasso, John
Impact Metal Roofing	Grant, Nick
Incitec Pivot Northern Manufacturing	Lagos, Jim
Independent Roofing Services (TAS.) Pty. Ltd.	Roberts, John
Industrial Plumbing Solutions Pty Ltd	Fernandez, Alf
Infinity Fire Protection	Lane, George
Infinity Fire Protection	Abela, Kate
Infinity Fire Protection	Hegarty, Mark
Infinity Fire Protection Pty Ltd	Beggs, Peter
Infrastructure Manufacturing Engineering Australia	
Interline Roofing	Coll, Mick
Interline Roofing Melbourne Pty Ltd	
Irrigation Australia Ltd	Atkinson, Ian
Irrigation Australia Ltd	Cowland-Cooper, Simon
Irrigation SOS	Brehin, Marc

Submissions provided by organisation/industry associations	
Irrigation Systems and Components	Caldecott, Phil
Irrigation Systems Australia Pty Ltd	Harvie, John
J&W Plumbing Services Pty Ltd	Herweynen, John
J. Gillies Plumbing and Gas	Gillies, Jay
J.H. Swain Pty Ltd	Swain, W H
J.T's Plumbing WA Pty Ltd	Travaglini, Joseph
J.W. Airconditioning Pty Ltd	Horsnell, John W
Jackrhon Plumbing Pty Ltd	Miller, Alan
Jacmac Enterprises	McWhinney, Steve
Jaypee Plumbing	Farrelly, James
JH Plumbing Pty Ltd	Jordan-Hill, Dean
JME Plumbing	
JMK Airconditioning	McKenzie, Jason
John Drew Services Pty Ltd	Lindros, Peter
John Stevens Plumbing Pty Ltd	Stevens, Lukas
John Wright Plumbers and Suppliers Pty Ltd	Holmes, Anthony
John Wright Plumbers and Suppliers Pty Ltd	Wright, John
John Wright Plumbers and Suppliers Pty Ltd	Wright, Mitchell
John Wright Plumbers and Suppliers Pty Ltd	Wright, Terry
Johnson & Co Plumbing & Gas	Keys, Scott
Johnston Brothers Plumbing Pty Ltd	Johnston, Cameron
Joyce & Sons Plumbing	Joyce, Phillip
JP Plumbing	
JWC Plumbing	Crow, Jamie
Kara Plumbing & Gas	Mann, Tyron
KB Plumbing	Bosdorf, Kristian
KC & TL Murray Pty Ltd	Murray, Keith
Keralton Plumbing and Drainage Contractors	McFarlane, Anthony
Kevin Hoare Plumbing, Gas Fitting & Wood Heating	Hoare, Kevin
Kidman Plumbing Services	Kidman, Mark
Kila Plumbing	Cox, Grant
Kings Plumbing	King, Chris
Kleen Green Plumbing	Habner, Rohan
KM & SL Manfield Pty Ltd	Manfield, Kevin
KNL Plumbing	Rees, Luke
Lakeside Plumbing and Gas	Roggio, Phil
Landman Plumbing	

Submissions provided by organisation/industry associations	
Laser Plumbing Sale	Smolenaars, Daniel
Laser Plumbing Seaford	Finlay, Terry
Laser Plumbing South Perth	Richardson, Sean
Laser Plumbing Vermont	Craig, Phillip
Laser Plumbing Vermont	Hessling, R
Lawn Ranger	Stephens, Kevin
Lee Watermatic Irrigation	Simpson-Lee, James
Leemark Fire Protection	Underdown, Mark
Len Robinson Plumbing	Robinson, Len
Leonards Plumbing Pty Ltd	Mariais, Anthony
Leprechaun Plumbing	Dwyer, Patrick
Les Howson Plumbing Service	Howson, Les
LEWCON Pty Ltd	Lewis, Steve
Litas Mainstone Plumbing & Gas	Litas, Chris & Mainstone, Chad
Lowood Irrigation Pty Ltd	Dodt, Garry
M & S Plumbing Pty Ltd	Fluerty, Stephen
M&K Plumbing Services Pty Ltd	Grobitsch, Mike
M. Gardiner Plumbing	Gardiner, Michael
M.A.N Plumbing and Drainage Services	Norris, Michael
M.I.D Plumbing Services Pty Ltd	Papankolaou, Con
M.I.D Plumbing Services Pty Ltd	Provest, Don
M.I.D Plumbing Services Pty Ltd	Cugola, Mark
M.I.D Plumbing Services Pty Ltd	Skocic, Steve
MA Ball Plumbing	Sinclair, Luke
MacKillop Irrigation Management Group	McElroy, Krysteen
Mackin Plumbing and Drainage	Mackin, Paul
Mait Plumbing Services	Fraser, Shane
Mal Lee Plumbing & Gas	Lee, Malcolm J
Mann Plumbing Pty Ltd	Mann, Jeff
Mansfield Plumbing	Walker, Andrew
Margaret River Pump Services	
Marshall Restorations	
Marsmen Plumbing and Gas	Dorrington, Trent
Master Builders Australia	Maroya, Alex
Master Plumbers	Delidakis, Andrew
Master Plumbers & Gasfitters Association Western Australia	Thomas, Murray
Master Plumbers & Gasfitters Association Western Australia	Kelly, Geoff

Submissions provided by organisation/industry associations	
Master Plumbers and Mechanical Services Association of Australia	Coolahan, Steve
Master Plumbers and Mechanical Services Association of Australia	Mannell, Alexandra
Master Plumbers and Mechanical Services Association of Australia	Gardner, Ken
Master Plumbers and Mechanical Services Association of Australia	Kikos, Peter
Master Plumbers and Mechanical Services Association of Australia	Waters, Garry
Master Plumbers Association	Chrys, Melissa
Master Plumbers Association of Australia	Mannell, Alexandra
Master Plumbers Association of NSW	Naylor, Paul
Master Plumbers Association of Queensland	Cornah, Penny
Master Plumbers Association of Tasmania	Cowie, Adrian
Master Plumbers Australia Ltd	Naylor, Paul
Matchport Materials Handling	
Mayday Plumbing Pty Ltd	May, Steven
McArthur Plumbing & Heating Services	McArthur, Sandy
McCanns Sunshine	
McGrath Plumbing	
McPherson Plumbing	Anderson, Paul
Melbourne Market Authority	Cornish, Peter
MGD Plumbing	Douéal, Mark
MGM Plumbing Solutions	Glover, Matthew
Michael Kindelan Plumbing	Kindelan, Michael
Mills Plumbing and Gas	Mills, Gary
Milne Builders & Plumbers Pty Ltd	Milne, Gary
Mingleford Pty Ltd	Aitchison, Andy
MIP Roofing	Evans, Bruce
Mitec Group Pty Ltd	Goodge, Michael
MJ United Plumbing & Drainage Pty Ltd	Hampe, Milton
Monbulk District Plumbing	Rogers, Kevin
Mongelli Construction	
MOTT Property Services	Mott, Garry
MOTT Property Services	Alcorn, Darryn
MOTT Property Services	Davies, David
MOTT Property Services	Quinn, Alex
MOTT Property Services	Brandon, Neil

Submissions provided by organisation/industry associations	
Mountford Plumbing Services Pty Ltd	Mountford, Michael
Mr Drains	Iles, Geoffrey
Mr Tap Plumbing Pty Ltd	O'Rourke, John
MSW Plumbing Service	Warwick, Michael
Mudgeeraba Plumbing Pty Ltd	Rutherford, Noel
Mukinbudin Plumbing & Gas Services	Muggridge, Robert
Multyflex Pty Ltd	Lucktaylor, Colin
My Plumber	Bryant, Clint
National Farmers Federation	Linnegar, Matt
National Fire Industry Association	Coate, Carmel
National Plumbing Services Training Advisory Group	Apelt, Kerry
NBP Services	Movley, Stephen
Neil Jones Plumbing	Jones, Neil
New Plumbing Solutions	Brigham, Jarryd
Newmans Plumbing	Greig, Ken
Norfolk Rise Vineyard	Andrews, George
Nortons Plumbing Wangaratta	Norton, Glenn
Nuppe (WA) Pty Ltd	Johnson, James L
O'Donnell Plumbing	O'Donnell, Kevin
O'Shea Plumbing Pty Ltd	O'Shea, Greg
o2 Plumbing	Trabinger, Peter
Ocean Keys Plumbing & Gas	Hoy, Michael
Ogier Plumbing	Ogier, Troy
On Time Building Trades	Robertson, Peter
One Plumber	Price, William
One Stop Watering Shop	Roeland, Peter
Open Plumbing Pty Ltd	Hannant, Sam
Optiplumb Pty Ltd	Brown, Mark
Orana Energy Systems	Parker, Brian
P&S Cameron	
Palmers Plumbing and Hardware Pty Ltd	Palmer, Chris
Panorama Plumbing & Building Services	Harford, Alan
Park Lane Relocatable Homes	Hamilton, Benjamin
Pat's Plumbing and Gas Services	
Paul King Plumbing	King, Paul
Pearse Plumbing Pty Ltd	Pearse, Leigh
Perry's Plumbing Service	Perry, Lindsay George

Submissions provided by organisation/industry associations	
Perth Plumbers Pty Ltd	Smith, Robert W
Peter King Plumbing Pty Ltd	King, Peter
Pettifer Plumbing Contractors	Pettifer, Rob
PGC Irrigation Contractors	
Phoenix Gas Co	Griffiths, Jonathan
Phillip Island Plumbing	Jamison, Mark
Phillips Plumbing & Gasfitting	
Phillips Plumbing Nelson Bay Pty Ltd	Phillips, Wesley
Pinnacle Plumbing and Gas	Spaanderman, John Alexander
Pinnacle Plumbing Group Pty Ltd	Rybalko, Nicholas
Pipe Clear SA	Ford, Brenton M
Pipeline Hydraulics Pty Ltd	Swift, Tim
Pipeline Plumbing	Scully, William
Piping Hot Plumbing Pty Ltd	Ward, Tim & Mick
Plumbable Pty Ltd	Kozaric, Anton
Plumbdog Plumbing & Gas Pty Ltd	Palmer, Richard
Plumbers Choice	Bolton, Luke
Plumbers Direct Pty Ltd	Tink, Greg
Plumbforce Plumbing and Gasfitting	Pool, Nathan
PlumbFX	
Plumbgas	Malcolm, H
Plumbing Down Under Pty Ltd	
Plumbing Industry Association of SA Inc	Clarke, Andrew
Plumbing Industry Climate Action Centre	Ebejer, Vin
Plumbing Solutions & Services Pty Ltd	Purdon, Tony Gregory
Plumfast	Demitriou, Leo
Plumology	
Plumsure Plumbing	Ferreira, Bronwynne
Plumsure Plumbing	Ferreria, John
Plumsure Plumbing	Ferreria Jnr, Nick
Plumsure Plumbing	Ferreria Snr, Nick
Plumsure Plumbing	Viebrock, Olaf
Plumsure Plumbing	Young, Shannon
Polytechnic West	Fitton, Grant
Power Pumps & Engineering Pty	Cockram, Peter
Premier Plumbing Service	Donald, Grant
Prentice Plumbing (VIC) Pty Ltd	McComb, Scott

Submissions provided by organisation/industry associations	
Prime Flowers Pty Ltd	Bottomley, Geoff
Prime Plumbing	Pullella, Sam
Prime Pumps	Antonopoulos, Antony
Prominent Plumbing & Gas	Albin, Mike
Pump Industry Australia Inc	
Q P Consulting	Quick, Robert
Quality Plumbing & Gas Pty Ltd	Gonzalez, Marcos
Queensland Gas Association and Bizmatrix Pty Ltd	Vecchio, Darrel
Queensland Wastewater Management	Rolls, Michael
Queensland Water Engineering	Brown, Kaye
R & JT Plumbing Contractors	Tipple, Reg
R & N Weightman Plumbing	
R & S Hutchinson	Hutchinson, Sofie
R & S Pine Pty Ltd	Pine, Robert
R.G. & C.A. Porter	Porter, Robert
R.K. Welsh Plumbing Services	Kerri
R.M.I.T TAFE	James, Warren
Rainlink Australia Pty Ltd	Carroll, Roxene
Rangi Plumbing & Gas Pty Ltd	Rangitoheriri, Daniel
Rayco Plumbing Contractors	Raynor, Grant Aaron
Red Earth Plumbing and Gasfitting	Milk, Damien
Regal Plumbers Pty Ltd	Hope, William J
Residential Metal Roofing Industry Association of Victoria Ltd	
Riley Plumbing Pty Ltd	Riley, John
RLC Constructions Pty Ltd	Cheek, Richard
RM Terrey Plumbing Services	Terrey, Robert
Rob Jones Plumbing Pty Ltd	Jones, Rob
Rob McCulloch Coastal Plumbing	McCulloch, Rob
Robert Akes and Co Plumbing Pty Ltd	Akes, Robert
Roberts Irrigation	Withers, Robert
Rockhampton Plumbing Maintenance Service Pty Ltd	Zimpel, Beveyn K
Rodney Waltrovitz Plumbing	Waltrovitz, Rodney
Rosetta Plumbing Pty Ltd Tas Gas Centre	Pearshouse, Robert
Ross Plumbing	Balassone, Ross
Rossmoyne Plumbing & Gas	Rowlinson, David
Rotherwood Farming	Brain, Bernard

Submissions provided by organisation/industry associations	
Rowan Fitzgerald Plumbing & Gasfitting Pty Ltd	Fitzgerald, Rowan
Roy Walker Plumbing	Walker, Roy
Roy Walker Plumbing	Walker, Trevor
RPA Plumbing	
RS & RA Morton Plumbing Pty Ltd	Morton, Robert Stephen
Rudds Consulting Engineers	Margot, Phil
Ruhrpump Australia Pty Ltd	
S & L Jackson Plumbing Solutions	Jackson, Scott
S S A & L G Brown	Brown, Alan
S360 Plumbing	Foote, Michael
Sam Tapping Plumbing Pty Ltd	Tapping, Sam
Samson Plumbing & Gas Pty Ltd	Abercromby, Noel
Scape Shapes Irrigation Service	Johnstone, Scott
Scott & Sons Plumbers Drainers and Gasfitters Pty Ltd	Scott, Craig
Scott's Plumbing & Gas	Baldwin, Scott
Seaview Plumbing Services	van der Jeugd, Tom
Select Metal Roofing Pty Ltd	Lloyd, Gregory
Selwood & Reid Plumbing Contractors	Reid, Paul
Sevenfields Operations	Delaney, Tim
SFD Plumbing	Donovan, Shane
SGT Plumbing	
Shamrock Roofing	Cook, Robert & Walkdron, Benjamin
Shinners Plumbing Pty Ltd	Shinners, Kevin
Sidney & Richardson	Richardson, Peter
Signal & Hobbs – Metal Roof Plumbers	Curnow, Samuel
Skill Hire Geraldton	Ward, Jon
Skills Institute Tasmania	Smeekees, Tony
SkillSmart Plumbing Pty Ltd	Wright, Anthony
Smart Gas	McGinniskin, Greg
Smart Gas Services Pty Ltd	De Glas, Tony
Smolenaars Plumbing	Smolenaars, Daniel
South West Institute of TAFE Victoria	Langston, James
South West Institute of TAFE WA	Hastie, Grant
Southern Cross Darwin	O'Connor, Terry
Southern Starr Fire Protection	Kojic, Dragutin
SR Plumbing & Gas Pty Ltd	Roubin, Saul
Stattons Plumbing Company Pty Ltd	Statton, Robert

Submissions provided by organisation/industry associations	
Steve Robertson Plumbing & Gasfitting	Robertson, Stephen
Streamline Drains & Pipelines NSW Pty Ltd	Barry, Kevin F
Sweet Design Innovations	Sweet, Justin
Swimming Pool Retail Association of Australia	Nye, Gary
Swinburne University of Technology	McEvoy, Terry
Swinburne University of Technology	Roney, Noel
Swinburne University of Technology	Fenton, Paul
Swinburne University of Technology	O'Connor, J R
Swish Air	Wishart, Steve
T & H deBeer Plumbing	
T Larkin Plumbing	Larkin, Terry
T R Moon Pty Ltd	Moon, Trevor R
T. J. Franke Pty Ltd	Franke, Trevor J
T.D Plumbing Services Pty Ltd	Sotiriadis, Terry
TAFE NSW Riverina Institute	Roy, Brian
TAFE SA	Theologou, Con
Tai Irwin Pty Ltd	Irwin, Tai
Tas Gaslink Pty Ltd	Drew, Joshua
Tasmanian Irrigation	Holmes, Chas
Ted Finchett Pty Ltd	Donkers, John
The Apprentice and Traineeship Company	Cluff, Warren
The Association of Hydraulic Services Consultants Australia WA Chapter	Cordingley, Ian
The Institute of Plumbing Australia Inc.	Movley, Stephen J
The Institute of Plumbing Inspectors QLD	Hunter, Max
The Plumbing Business	Martin, Brent
The Plumbing Doctor (QLD)	Curran, Ian
The Pump House	Minto, Anthony
The Pump House	Bromfield, Ian
The Pump House	Smith, Nathan
The Pump House	Chadband, Peter
The Pump House	Morris, Ralph
The Pump House	Martin, Stuart
The Pump House Gympie Branch	
The Pump House Nambour	Richards, Adam
The Tap Doctor	Challenor, Graham
The University of Queensland	Sandilands, Stephen

Submissions provided by organisation/industry associations

Think Water Devonport	Penno, Ian
Think Water Dunsborough WA	Rogers, Ian
Think Water Smithton Tas	Odgers, Conrad
ThinkWater	Westerberg, Greg
Thorough Maintenance Pty Ltd	Vandeleur, Peter M
Thurlain Plumbing	
Timboon Plumbing & Pumps Pty Ltd	Trotter, Simon
TM & LM Doherty Plumbing Pty Ltd	Doherty, Tom
Tolentino Plumbing & Gas Pty Ltd	Tolentino, Bradley
Tom The Tap Man	Tirrell, Tom
Toms Star Airconditioning	Heron, Michael
Tony's Plumbing and Drainage Pty Ltd	Lynch, Anthony
Toowoomba Regional Council	Bryant, Brett
Top Stream	Pickering, Adam
Topgrade Plumbing and Roofing	Smith, Rodger
Total Eden Pty Ltd	Windram, M
Total Irrigation Designers	Wilson, Matthew
Townsville City Council	Price, Tony
Townsville City Council	Walters, Brian
Traditional Gardens Landscaping	
Transcend Plumbing & Gasfitting	Thompson, Michael
Trevor Kitson Plumbing	Kitson, Trevor
Trio Plumbing (Aust) Pty Ltd	Lord, Peter
Trojan Fire Protection Pty Ltd	Crosby, Bob
Troy Bannister Contracting	Bannister, Troy
Tuck Plumbing Pty Ltd	Tuck, John
Tullamarine Plumbing & Drainage Pty Ltd	Slade, Brian
Tyrone Fire Protection Pty Ltd	Maguire, Noel
Unblock Plumbing	Kearton, R & N
United Plumbers Tasmania	Foley, Andrew
United Pumps Australia	Heinsch, Rick
United Pumps Australia	Astall, Ron
Van De Poppe Plumbing Services Pty Ltd	Van de Poppe, Harmen
Verbeek Plumbing	Verbeek, Harry
Victorian Plumbers United	
Viperjet Drain Cleaning Solutions	Smith, Ron
W & M Plumbing Group Pty Ltd	Brown, Gregory

Submissions provided by organisation/industry associations	
W Hutchinson & Sons Pty Ltd	Hutchinson, Harvey
W. F. Gray & Co Pty Ltd	Nicoll, Jeff
WA Plumbing Solutions	Allen, Ryan
Wahoo Plumbing Pty Ltd	Adam Nousala
Wahoo Plumbing Pty Ltd	Royce Perrett
Wandering Plumbing & Gas	Cole, Derek
Warmatek Pty Ltd	Livy, Andrew
Warringal Plumbing Service	Day, Brenden
Water Dynamics	Campbell, Gary
Water Infrastructure Group	Costelow, Vern
Watershed Commercial Roofing Pty Ltd	Gillett, Jan & Gallagher, Russel & Beseler, Bryce
Waterway Plumbing and Civils	Labuschaigne, Delvin
Waterworx	
Watson Plumbing and Drainage Pty Ltd	Watson, Brett
Wayne Manion Plumbing Services	Manion, Wayne
Webb Plumbing	Dingwall, Aaron
Webb Plumbing	Lang, Jennifer
Wembly Plumbing and Gas Pty Ltd	Sloss, Stuart J
West Best Plumbing & Gas	Ray, Paul
Westbourne Plumbing	Twoorkowski, Eddie
Westerport Roof Supplies	
Whelan Air Conditioning Aust Pty Ltd	Williams, Geoffrey R
Wigg Plumbing Specialists Pty Ltd	Wigg, Graeme
Wild Dog Plumbing and Air Conditioning	Akarsu, Josh & Felicity
Wilmac Plumbing Company Pty Ltd	Trevor Wilson
Wirrega Vineyards Joint Venture	Flint, Jeff
WJB Consulting & WJB Sustainable Landscapes	Meech, Wendy
Woodbury Plumbing	Woodbury, Ryan
Woolley's Plumbing Pty Ltd	Woolley, Ken
Woolley's Plumbing Pty Ltd	Woolley, Robert
Yarrow Plumbing Services Pty Ltd	Yarrow, Dennis
Your Waterworx Pty Ltd	Forti, Karl
Submissions provided by individuals	
Adair, Catherine	Jones, Neil
Adams, Patrick	Jones, Paul
Akarsu, Josh & Felicity	Jones, Sam
Aldridge, Greg	Jones, Scott

Submissions provided by organisation/industry associations

Allen, Mike	Jovanovski, Billy
Anderson, Kai	Kapoulitsa, Matthew
Annett, Matthew	Karabatsos, Daniel
Antoniadis, Soto	Karlovic, Ivan
Arnott, Dean	Kastleliotis, Peter
Arnott, Kevin	Katavolos, George
Attenborough, Glenn	Kelly, Norman
Bailey, Steve	Kelson, Aaron
Baker, Steve	Kennedy, Michael
Baldry, Aaron	Kershaw, Greg
Barratt, L	Keynes, Peter
Barratt, Wayne	Kolber, Bernard
Bell, Brad	Kotargwski, Paul
Bell, Rod	Lang, Michael
Bermingham, Anthony	Larkin, Rob
Besnard, Stephen	Larmer, Luke
Beveridge, Travis	Law, Peter
Bez, Jordan	Lawler, David
Black, Matthew	Lawson, Scott
Blandthorn, Sean	Lennie, Sue
Blizzard, Deb	Lindsey, Sean
Bolton, Jamie	Lo Schiavo, Peter
Bosdorf, Kris	Lowndes, Adam
Bowman, Julie	Mac Donald, Ian
Brewer, Paul	Magee, Liam
Bridger, Chris	Malcolm, Chris
Brinsmead, Graeme	Mallinson, Paul
Broomhead, Mike	Manion, Patrick
Budinoski, Deni	Markic, David
Bullock, Scott	Marris, Ian
Burban, Chris	Martin, Robert
Burbidge, John	Masin, Matthew
Burchell, Neil	Maxa, Jurgen
Burn, Peter	Maxwell, Dean
Burriss, Chris	McCarten, Paul
Butler, Grange	McKechnie, David
Cadden, Dean	McKenna, Nick

Submissions provided by organisation/industry associations

Cappa, Anthony	McPhee, Louise & Marc
Carne, Benn	Menzies, Glenn
Carson, Jack & Alana	Menzies, Nat
Cartwright, Clint	Mercer, Chris
Casemore, Paul	Mercuri, Anthony
Cassidy, Daryn	Millers, Allen
Chard, Blake	Milne, Stuart
Charlesworth, Colin	Mitchell, Brendan
Cheremnov, Avril	Mitchell, Greg
Chirgwin, Christine	Moerenhout, Shane
Chung, Mal	Moncrieff, Steven
Cipolla, M	Morris, Brett
Clark, David	Muccino, Marcus
Clarke, Damian	Mullins, Jonathan
Coates, Ross & Anne	Munn, Alan
Coates, Stephen	Munro, Greg
Cole, John	Naicker, Mano
Cole, Steve	Nicholls, Mark
Conboy, Ben	Normoyle, Trevor
Conloy, Ashley	Nunn, Bill
Considine, Peter	O'Brien, Neil
Cooke, Joanne	Oates, Brendon
Cooper, Jess	Oeser, Ralf
Cooper, Johnathon	Oldfield, Greg
Cornell, Pat	Ornsby, Bryan
Cousland, Ben	Ottobre, Nazzareno
Cowling, Dianne	Papanis, Alex
Cranny, Jason L	Park, Linda
Crestani, Mark	Parke, Steven
Cummins, Allen	Parlington, Ross
Cushnahali, Rob	Paterson, Brent
Daisley, Greg	Paull, Brian
Dalli, Simon	Pav, Marcus
Daly, Michael	Peel, Lindsay J
Davies, L	Pernice, Bert
Davis, Brad	Petsheny, Alex
Day, Andrew	Peyenborg, David

Submissions provided by organisation/industry associations

de Reus, Griffin	Phillips, Jim
Delidakis, Andrew	Pickert, Wayne
Den Boer, Jenny	Poor, Beverley
Dennis, R W	Potter, Lynette
Depetru, Salvatore	Purvis, Brian
Devitt, Laurie	Quaggin, Ben
Dickman, Shaun Phillip	Quick, Ben
Dickson, Stephen	Quinn, Simon
Dilena, Richard	Radwan, Hesham
Dolan, Daniel	Rapsey, Alan
Donovan, M O	Reboredo, George
Driscoll, Michael	Redfern, Leonard
Dudley, Paul	Reid, Adam
Duff, Andrew	Rhes, Peter Edward
Dunstone, Rob	Ripps, Alex
Egan, Patrick	Robbins, Max
Elliott, Mark	Roberts, Darren
English, Jarrod	Robertson, Andrew
Entwistle, Daniel	Robinson, Jason
Erkkila, Paul	Rocco, Steve
Evans, Llion	Rodgers, S
Eyden, Raymond	Rogers, Clifford
Fahlbusch, Allan	Rogers, Twain
Farrell, Pat and Sue	Rolfe, Carl
Fenton, Paul	Rondina, John
Feore, Rick	Ross, Daniel
Fincher, D	Rowe, Trevor
Fitzgerald, Kevin	Rowland, Sean
Fitzsimons, Wayde	Russo, Andrew
Fok, Jacky	Ryan, David
Ford, Peter	Ryan, Seamus
Foster, Chris	Saliba, David
Foster, Matthew	Salmon, Andy
Fox, Gary	Sanders, Dean
Funston, Robert	Sandow, Bev
Gale, Stuart	Saunders, Gary
Garbutt, Vance	Scammell, Joel

Submissions provided by organisation/industry associations

Gell, Andrian	Schila, Andrew
Geyer, Matthew	Scott, Laurie
Giblin, C	Sguazzato, Peter
Gilman, Rob	Shalders, Daniel
Ginns, Dean	Shannon, Adam
Gioviso, Anthony	Sheehan, Michael A
Giuliani, Madison	Simpson, Brent
Gladman, Peter	Slapsingkes, Matthew
Godfrey, Michael	Sloan, Jason
Gombasek, Peter	Sly, Chris
Goodhew, Geoff	Smart, Terry
Gould, Thomas	Smith, Braden
Gray, M	Smith, Cameron
Gray, Paul	Smith, Dale
Grech, Troy	Spagnolo, Andrew
Greenhalgh, Steve	Sprint, Aaron
Greig, Ken	Stacey, Tim
Grisbrook, Alastair	Stapleton, M
Gusner, H	Steele, Bruce
Halbish, Phil	Steer, Michaela
Hall, Steven	Steinecker, Runar & Michelle
Halliwell, Adam	Stent, John
Hamer, Tom	Stone, Rhys
Hamshere, Rob	Taliana, Troy
Harnath, Jeff	Taranto, James
Harrison, David	Taylor, Cameron
Harvey, Colin and Linda	Taylor, James
Harwood, Tim	Taylor, Kent
Hayes, Peter M	Tee, Andrew
Healy, Andrew	Thomas, Ashley
Hepburn, Matt	Thomas, Clint
Hermans, Nick	Thompson, James
Higgins, Loretta	Thompson, Melissa
Higgins, Neil	Thomson, Melvyn
Hikuroa, Selwyn	Thornton, Josie
Hilder, Craig	Tomkins, Matt
Hill, Penelope	Tonna, Ian

Submissions provided by organisation/industry associations

Hirt, Adam	Tora, Jasa
Hobbs, Ben	Trebilcock, Mitchell
Hopkins, David	Triangolo, Jim
Horsey, Cameron	Triffitt, Jon
Hosken, Glenn	Trotter, Lindsay
Hostettler, David	Truscott, Rosemary
Hotman, Ruth & Robert	Turnbull, Merv
Huggett, Malcolm	Tyquin, Andrew
Hulm, Greg	van Diemen, John
Hulm, Luke	Vaneyk, Herman
Humphrey, Lisa	Vann, Bob
Humphrey, Mark	Vaughan, Bob
Hurley, Chris	Wallace, Andy
Hurley, Kevin	Walsh, Tom
Hutton, Chris	Watson, Bill
Hy Ta, Le	Wesley, Dale
Imstav, A	Weston, Eric
Jackson, Corey	Wheelhouse, Timothy
Jacobe, D	White, Brian
James, Brett	Wigg, Graeme
Janssen, Chris	Windsor, David
Jenkin, Leonard	Winters, Matthew
Jennings, Andrew	Wise, Anthony
Johnson, Bryan	Yiap, Denzel
Johnstone, David	Yole, Benjamin
Jones, Brodie	York, Nathan
Jones, Ian	Young, Hilton
Jones, Matt	Young, Kathy

Attachment C – National licensing policy development process

Under the Intergovernmental Agreement for a National Licensing System for Specified Occupations, the COAG National Licensing Steering Committee (the steering committee) was given responsibility to oversee the implementation of national licensing in the interim period before the establishment of the National Occupational Licensing Authority (NOLA). Membership of the steering committee comprises central agency representatives from each jurisdiction. The steering committee reports on progress to the Business, Regulation and Competition Working Group (now the Business Advisory Forum Taskforce, following the cessation of BRCWG on 31 December 2012)

The Standing Council on Federal Financial Relations (SCFFR) has overall responsibility for this reform.

The steering committee's primary source of advice for occupational regulations was the interim advisory committees (IACs) established for each of the occupational areas, each of which had an associated regulator working group. Members of the IAC represented a balance of expertise relevant to the occupational area across the fields of regulation, industry operations and practices (from both a union and employee perspective), safety, consumer advocacy, insurance (where relevant) and training. The regulator working group comprised regulator members from each relevant jurisdiction.

The Plumbing and Gasfitting IAC developed policy advice throughout 2010 and early 2011. The majority of advice provided by the IACs was incorporated into the steering committee policy advice for the drafting of the Occupational Licensing National Law Amendment Bill and regulations, and is considered in this Decision RIS for the plumbing and gasfitting occupations. There are, however, instances where, after having regard to the objectives and principles set out in the Intergovernmental Agreement, the steering committee formed a different view to that of the IAC. Such instances are noted in the following discussion.

Government representatives from all jurisdictions provided policy advice and contributed to the drafting instructions for the Amendment Bill and regulations, including representatives from Western Australia and the Australian Capital Territory, which have not yet enacted the National Law. Accordingly, the impact analysis and cost–benefit calculations take into account the current regulatory arrangements in all jurisdictions.

In considering policy issues, the steering committee and its IACs were bound by the objectives and principles in the Intergovernmental Agreement, including a requirement to comply with COAG's principles of best practice regulation.

The objectives used in developing the licensing policy are taken from section 3 of the *Occupational Licensing National Law Act 2010*, as set out below:

The objectives of the national licensing system are as follows –

- (a) to ensure that licences issued by the Licensing Authority allow licensees to operate in all participating jurisdictions;
- (b) to ensure that licensing arrangements are effective and proportionate to ensure consumer protection and worker and public health and safety while ensuring economic efficiency and equity of access;

- (c) to facilitate a consistent skill and knowledge base for licensed occupations;
- (d) to ensure effective coordination exists between the Licensing Authority and jurisdictional regulators;
- (e) to promote national consistency in –
 - (i) licensing structures and policy across comparable occupations; and
 - (ii) regulation affecting the requirements relating to the conduct of licensees; and
 - (iii) the approach to disciplinary arrangements for licensees;
- (f) to provide flexibility to deal with issues specific to particular jurisdictions or occupations;
- (g) to provide the public with access to information about licensees.

The principles set out in the Intergovernmental Agreement, which forms the basis for establishing national licensing, are that:

- The system operates in a transparent, accountable, efficient, effective and fair manner.
- Regulation intervention in the form of licensing is only contemplated where risks arising from market failure or risks to public health and safety warrant corrective action and, of all feasible options, licensing provides the greatest net public benefit.
- Licensing arrangements do not duplicate legislative protections contained under other laws, in particular, competition law, consumer protection law or occupational health and safety law.
- Licensing arrangements only include requirements needed to address identified consumer protection risks arising from market failure and/or worker and public health and safety risks, without imposing unnecessary costs on consumers and business or substantially lessening competition.
- Licensing eligibility requirements are expressed in objective not subjective terms.
- The system will not require the extension of licensing to sub-groups of a broad occupational group that are not currently licensed in particular jurisdictions.
- Licensing arrangements are subject to an initial review five years after commencement and subsequently at a frequency no less than every ten years.

These principles include a requirement to establish a case for action; to consider and cost a range of response options, including non-regulatory approaches; and to ensure that the response selected provides the greatest net benefit to the community as a whole. Key stakeholders must be consulted and government action must be 'effective and proportional' to the issue being addressed.

It should be noted that policy development for mechanical services plumbing was undertaken by the Refrigeration and Air-conditioning IAC due to the significant overlaps with that occupational area. The scope of work of the mechanical services plumber covers the installation, operation and maintenance of building mechanical services plant and equipment used for heating, cooling and ventilating systems. Close communications concerning relevant policy discussions on mechanical

services were maintained between the two groups on an ongoing basis. The steering committee, in March 2011, made the decision that mechanical services should sit with the plumbing and gasfitting occupational area.

Membership of the Plumbing and Gasfitting Occupations IAC, the Plumbing and Gasfitting Occupations Regulator Working Group and the COAG National Licensing Steering Committee is provided below.

As part of the NOLA communications strategy, following each meeting, communiqués outlining the progress of work were made available on www.nola.gov.au.

Table C.1: Membership of the Plumbing and Gasfitting Occupations Interim Advisory Committee

Name	Organisation
Dr David Cousins – Chair	Member of the national licensing Expert Working Group
Mr John Furbank	Consumers' Federation of Australia
Mr Doug McClusky	Plumbers Union Australian Council of Trade Unions
Mr Earl Setches	Plumbers Union Australian Council of Trade Unions
Mr Steve Reynolds	LPG Australia
Mr Ken Gardner	Master Plumbers and Mechanical Services Association of Australia
Mr Paul Naylor JP, MAICD	Master Plumbers Association of NSW
Mr Stephen Movley Hon. FIPA MAHSCA	The Institute of Plumbing Australia
Mr Peter Day	SA Water
Mr Alan Humphreys	TAS – Department of Justice
Mr Shayne La Combre	VIC – Plumbing Industry Commission
Mr Stephen Matheson	QLD – Department of Natural Resources and Mines
Mr David Magee	Construction and Property Services Industry Skills Council
Ms Carmel Coates (observer)	National Fire Industry Association

Table C.2: Membership of the Plumbing and Gasfitting Occupations Regulator Working Group

Name	Organisation
Dr David Cousins – Chair	
Ms Regina Haertsch	National Reforms, NSW Fair Trading Department of Finance and Services
Mr Shayne La Combre	VIC – Plumbing Industry Commission
Mr Chris Boyle	Queensland Building Services Authority
Mr Chris Harris	QLD Building Codes
Mr Stephen Matheson	QLD– Department of Natural Resources and Mines
Mr Phil Payne	Plumbers Licensing Board, WA
Mr David Allan	Energy Safety Division Department of Commerce, WA
Mr Ian Johnston	Consumer and Business Service Division Attorney General’s Department
Mr Alan Humphreys	TAS – Department of Justice
Mr David Middlemiss	ACT Environment and Sustainable Development Directorate
Mr Armando Padovan	Department of Lands and Planning NT

Table C.3: Membership of the COAG National Licensing Steering Committee

Jurisdiction	Member	Department
Commonwealth	Mr Robert Griew – Chair	Department of Innovation, Industry, Science, Research and Tertiary Education
NSW – joint	Dr Meg Montgomery	Department of Premier and Cabinet
	Mr Scott Wheeler	Department of New South Wales Treasury
VIC	Mr Anthony Rossiter	Department of Treasury and Finance
QLD	Ms Katrina Martin	Queensland Treasury
WA	Mr Nigel Parkes	Department of Treasury and Finance
SA	Mr Peter Maynard	Department of the Premier and Cabinet
TAS	Ms Kerrie Crowder	Department of Justice
ACT	Mr Brett Wilesmith	ACT Treasury
NT	Mr Ian Prince	Department of Business

Table C.4: Membership of the National Occupational Licensing Authority Board

Chair
Ms Elizabeth Crouch
Board members
Mrs Wendy Machin
Mr Graham Anderson
Mr Albert Koenig
Mr John Sutton
Ms Miranda Douglas-Crane
Mr Tony Arnel
Mr David Ford

Attachment D – Risks associated with plumbing and gasfitting work

Generally the regulation of the plumbing and gasfitting industry in Australia has evolved as a way of protecting the health and safety of consumers and the general public. The chief problem arising from plumbing work is that failure in specified work processes has the potential to contaminate potable water, with impacts ranging from infection to death. Other problems arise where inadequate work processes can lead to personal injury, property damage or environmental damage. The World Health Organization indicates that:

*preventable diseases related to water and sanitation claim the lives of about 3.1 million people a year, most of them children less than five years old. Of these, about 1.6 million people die from diarrhoeal diseases associated with lack of safe drinking-water and adequate sanitation.*³⁰

In general terms, plumbing work includes the installation, repair and maintenance of plumbing systems relating to the supply of clean water and removal of waste water; and the pipes, fittings, fixtures, connections and valves necessary for the system. This covers a variety of activities, including water supply work, sanitary work, drainage work and work associated with installing irrigation, fire protection and air-conditioning ducting systems.

The risks associated with undertaking plumbing and gasfitting work have been addressed by government intervening in a number of ways, including through occupational licensing, occupational health and safety regulation and standards and codes for undertaking work.

For example, government agencies are responsible for providing systems of management of mains water and sewerage; clear standards have been established for undertaking plumbing and gasfitting work with mechanisms to ensure compliance; and those undertaking plumbing and gasfitting work are required to complete technical training and be licensed or registered.

One of the main problems identified by the World Health Organization in the work undertaken by a plumber is the risk of contamination by cross connections. This risk is described as follows:

*Inside many properties there are, in effect, two distinct systems of pipes, one conveying drinking-water and the other wastewater. These pipes, internal and external to the building, together with the fittings themselves, are the plumbing systems of the property. The two systems of pipes pass underground to reach the building, and they come close together at sanitary fittings and fixtures such as water closets, sinks or baths. The proximity of the drinking-water supply and waste disposal systems means that there is a risk that liquid waste might contaminate the drinking-water supply system. The minimization of this risk is one of the prime objectives of a well-designed and properly built plumbing system. The ill effects of a cross-connection may not be confined to the premises concerned, but may be transferred to the mains supply system to which the plumbing is connected. In these cases, the health of a whole community may be threatened.*³¹

Working with gas brings risk of injury and death and damage to property associated with fire, explosion or toxic substances. This is the case whether the gas is piped natural gas or individually

³⁰ World Health Organization and World Plumbing Council 2006, Health aspects of plumbing, World Health Organization and World Plumbing Council, Switzerland, p. 7.

³¹ *ibid.*, p. 4.

connected liquefied petroleum gas. The Regulation Impact Statement for the Victorian Gas Safety (Gas Installation) Regulations 2008 indicates that:

[w]hile convenient, gas is also a potentially hazardous fuel, with dangers from:

- Fire or explosion from ignition of leaking gas;
- Fire from unacceptably high levels of heat transfer from an appliance to adjacent structures or objects;
- Unsafe atmospheres in working or living spaces, due to either inadequate oxygen provision or the build-up of toxic combustion products (especially nitrogen dioxide or carbon monoxide).³²

The potential hazards that give rise to these risks:

*are heightened if gas appliances and installations suffer from defective design, inadequate standards, defective materials, insufficient installation competency, improper operation and/or inadequate maintenance.*³³

Based on currently available research, Tables D.1 and D.2 summarise the apparent range of risks associated with plumbing and gasfitting work.

³² Regulatory Impact Statement: Proposed Gas Safety (Gas Installation) Regulations 2008, prepared for Energy Safe Victoria by Milbur Consulting Ltd, 2008.

³³ *ibid.*

Table D.1: Risks associated with plumbing work

Risk	Description	Risk nature
Poisoning/ asphyxiation/ personal injury	<p>Leaking pipes, poor maintenance work on appliances, substandard materials or products or incorrect installation can lead to fires and explosions. This is a public and private health and safety risk.</p> <p>Incorrect installation of hot water systems can result in scalds and burns to those who use the hot water supply.</p> <p>Incorrect installation or maintenance of a fire protection system can partially or wholly reduce its effectiveness. This in turn can raise significant risks to life for those who own or use buildings fitted with fire protection systems.</p>	Health and safety
Bacterial infection	<p>Poor drainage systems can result in stagnant water that is unable to drain; this can contribute to bacterial infections, resulting in serious health problems and even death.</p>	Health and safety
Foul smells	<p>Poorly designed or maintained sanitary systems can cause a loss of water seals in traps. If this occurs foul smells from the sanitary system can enter the house/building. This causes inconvenience to occupants, and may also present a public health and safety risk.</p>	Consumer protection Health and safety
Property and other asset damage	<p>Leaking pipes, poor maintenance work on appliances, substandard materials or products or incorrect installation can lead to fires and explosions. This can result in property damage.</p> <p>Failure to provide adequate systems to drain water from the roof can result in leaking or flooding, resulting in damage to structures and fixtures.</p> <p>Incorrect installation or maintenance of a fire protection system can partially or wholly reduce its effectiveness. This in turn can raise significant risks to property for those who own or use buildings fitted with fire protection systems.</p>	Consumer protection
Raw sewerage spills	<p>Raw sewage spills can result from:</p> <ul style="list-style-type: none"> • defective plumbing products and incorrect installation, leading to pipes blocking or leaking or system overflows (i.e. surcharge gullies) • poorly designed and installed sanitary or drainage fixtures, which can lead to blocked toilets • incorrect connection of drainage systems, particularly in relation to sewage systems. <p>Raw sewage spills can lead to the spread of disease and contamination of the environment.</p>	Health and safety Environment
Water supply contamination	<p>Water supply contamination may arise from incorrect installation, e.g. incorrect backflow prevention, incorrect cross connections (e.g. water supply and recycled water), poor installation of roof drainage systems or the use of inappropriate roof materials (for example, lead flashings).</p> <p>Incorrect connection of drainage systems, particularly in relation to sewage systems, can lead to contamination of drinkable water.</p> <p>The use of unsafe water sources for irrigation purposes presents a major health and safety risk, particularly if the irrigation system is used on fruit and vegetables, which can become contaminated by the water used.</p>	Health and safety Environment
Water wastage	<p>Water wastage can arise from:</p> <ul style="list-style-type: none"> • poor design or installation that can cause bursting pipes or, for example, if the hot water system supplying a building is placed too far away from where the water is required, the hot water must travel an unnecessary distance, causing a loss of water while waiting for the hot water to arrive. • poor understanding by the people designing and installing irrigations systems of soil and plant relationships. • inappropriate testing practices – for example, plumbers are required to test drains for soundness and blockages after materials are installed. This is most commonly done by running water through the drain. This can waste approximately 150 litres of water each time a drain is tested; however, there are effective alternatives to using water that can be used to test drains. These include pumping up the drain with air pressure or using recycled water. 	Consumer protection Environment

Table D.2: Risks associated with gasfitting work

Risk	Description	Risk nature
Asphyxiation/ poisoning/ respiratory illness	Appliances using gas require adequate ventilation air for correct combustion and in some cases a suitable flue to remove the products of combustion. (In all cases, all appliances require adequate ventilation.) A gas leak, inadequate ventilation or an ineffective flue can result in serious health problems, such as carbon monoxide poisoning and/or death. As gas is mostly made up of methane, which is an asphyxiant; leaks and poor ventilation may result in death from asphyxiation. Leaking gas or combustion of by-product gases can exacerbate pre-existing medical conditions such as cardiovascular diseases and respiratory illnesses.	Health and safety
Personal injury	Leaking gas or incomplete combustion arising from poorly maintained or incorrectly installed appliances can result in serious burns and/or death.	Health and safety
Property and other asset damage	Leaking pipes, poor maintenance work on appliances, substandard materials or products, use of unapproved appliances or incorrect installation can lead to fires and explosions, resulting in public and private property damage.	Consumer protection
Energy inefficiency	Inefficient use of energy can have a serious impact on the environment. Energy inefficiency can arise from the use of unapproved energy inefficient products or poor design of gas installation systems.	Environment

Note: Adapted from Victorian Plumbing Industry Commission 2008, Regulatory Impact Statement: Proposed Plumbing Regulations 2008, Department of Planning and Community Development.

By and large, however, Australia appears to perform well in the area of gas safety. As can be seen in Table D.3, during the period 1997–98 to 2001–02 Australian jurisdictions, and Australia as a whole, had a relatively low rate of gas-related fatalities. Australia (0.32) was ahead of most of the world, second only to Japan (0.25), and well below the world proxy (1.75). It should be acknowledged that the study cited dates from 2001–02.

Table D.3: Fatal accident frequency rate, 1997–98 to 2001–02

Jurisdiction	Population exposed to gas accident in 2000 (million)	Average deaths per year	Estimated FAFR x10 ⁻⁶
NSW	3.593	0	N/A
Vic	4.822	1.6	0.33
QLD	1.431	0	N/A
WA	1.332	.2	0.15
SA	1.071	.8	0.75
TAS	0.157	0	N/A
ACT	0.104	0	N/A
NT	0.065	0	N/A
Australia	11.910	2	0.32
United Kingdom	50.300	36	0.69
USA	155.700	426	4.43
Canada	30.500	26	0.81
Japan	68.880	5	0.25

Jurisdiction	Population exposed to gas accident in 2000 (million)	Average deaths per year	Estimated FAFR x10 ⁻⁶
South Korea	20.420	31	1.54
Netherlands	14.950	6	0.37
France	45.158	59	1.32
Denmark	2.600	3	1.15
Italy	50.512	64	1.28
China	22.500	173	7.69
Finland	1.900	2	1.05
New Zealand	1.863	1.6	1.55
World proxy	477.193	834.6	1.75

FAFR = fatal accident frequency rate

Note: The fatal accident frequency rate equates to the average number of fatalities / number of people at risk in gas supply households or area in the year 2000. The world proxy fatal accident frequency rate is derived by dividing the exposed population by number of fatalities.

Source: Watt, G 2004, Overseas and Australian statistics and benchmarks for customer gas safety incidents, Glenenergy Services.

While this analysis focuses on gas safety outcomes, it is important to note that plumbing work also carries potential safety risks for the general public. While data has not been provided here, stakeholders are encouraged to provide evidence that demonstrates the levels of safety risk in relation to plumbing work in Australia.

Sub-option 2 – How proposed Certificate IV units address risks

The following table gives a brief outline of each Certificate IV unit proposed under sub-option 2 and the risks which it addresses, which are mitigated by the specialist skill and knowledge provided. A comparison is given with the skills provided under the most relevant comparable Certificate III unit identified.

Table D.4: Proposed Certificate IV units and their role in risk mitigation.

Certificate IV unit and licence for which it is proposed	Description (broadly)	Comparison to Cert III: Risk and risk management	Jurisdictions requiring the subject or equivalent
CPCPCM4011A Carry out work-based risk control processes Proposed for: all full licences	Descriptor relates to identifying, assessing and managing risks, addressing statutory and regulatory authorities' legislative and workplace requirements, including work, health and safety. Unit for team leaders and supervisors who have responsibility for safety of others. Risks addressed (see table D1) : <ul style="list-style-type: none"> Personal injury 	Certificate IV unit covers the management of workplace risks including managing risk in supervisory capacity. The relevant core unit in the Certificate III is a Certificate II unit CPCPCM2043A Carry out WHS requirements. This does not address WHS processes to the same level as the proposed unit but simply provides a general framework of regulatory requirements and practices to conduct work safely. It does not involve responsibility for others.	Plumber (licensed by all jurisdictions): VIC, QLD, WA, SA, TAS, ACT, NT Drainer (licensed by all jurisdictions): VIC, QLD, WA, SA, TAS, ACT, NT Fire Protection (licensed in three jurisdictions): VIC General gasfitter (licensed in all jurisdictions): VIC, QLD, SA, TAS, NT Gasfitter Type B:

Certificate IV unit and licence for which it is proposed	Description (broadly)	Comparison to Cert III: Risk and risk management	Jurisdictions requiring the subject or equivalent
	<ul style="list-style-type: none"> • Water supply contamination • Bacterial infection • Property and other asset damage 		(licensed five jurisdictions): VIC Mechanical Services: (licensed two jurisdictions): VIC, TAS
CPCPCM4012A Estimate and cost work Proposed for: all full licences	Descriptor relates to estimating materials, labour and time requirements and establishing cost for provision of service or product. Includes sequencing work efficiently. Risks addressed (see table D1) : <ul style="list-style-type: none"> • Personal injury • Water supply contamination, poisoning, asphyxiation (from inadequate materials or labour) • Property and other asset damage • Water wastage • Consumer or business loss (not listed in D1) 	Certificate IV unit covers consumer and worker protection related to pricing and time needed for work – consumer requirements are clarified, work is priced appropriately, equipment and materials are appropriate and safe. Also covers environmental risks– material and energy use is efficient, proper disposal of waste. The nearest relevant core unit in the Certificate III is a Certificate II unit CPCPCM2040A Read plans and calculate plumbing quantities. This does not address the pricing of work which is the focus of the proposed unit, and which includes costing types of labour, time and overheads in order to provide a written quotation and tender for Class I building jobs	Plumber (licensed by all jurisdictions): VIC, QLD, WA, SA, TAS, ACT, NT Drainer (licensed by all jurisdictions): VIC, QLD, WA, SA, TAS, ACT, NT Fire Protection (licensed in three jurisdictions): VIC General gasfitter (licensed in all jurisdictions): VIC, QLD, SA, TAS, NT Gasfitter Type B: (licensed five jurisdictions): VIC Mechanical Services: (licensed two jurisdictions): VIC, TAS
CPCPWT4011B Design and size heated and cold water services and systems Proposed for: plumber licence	Descriptor relates to designing, sizing and documenting the layout of heated, tempered and cold water services, flushing systems, and hydrants and hose reel systems for multi-floor buildings. Risks addressed (see table D1) : <ul style="list-style-type: none"> • Personal injury • Water wastage • Water supply contamination • Property and other asset damage • Water supply 	Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of services and system layout and ensuring work meets Australian standards, regulatory and workplace requirements, including building plans. Design, materials, equipment and procedures are appropriate for task, efficient, sustainable and safe. Licensee is required to know characteristics and application of equipment, including water heating systems, pumps, water storage, pipes and fitting. Also covers environmental risks – material and energy use is efficient, proper disposal of waste. The nearest relevant core unit in the Certificate III is the unit CPCPWT3021A Set out and install water services. This does not address some of the fundamental skills to undertake the work which are covered under the Certificate IV unit, i.e. ‘process of designing, sizing and documenting the layout of heated, tempered and cold water services and systems’, the relevant statutory	Plumber (licensed by all jurisdictions): NSW, VIC, QLD, WA, SA, TAS, ACT, NT

Certificate IV unit and licence for which it is proposed	Description (broadly)	Comparison to Cert III: Risk and risk management	Jurisdictions requiring the subject or equivalent
	contamination	requirements relating to that work, the 'characteristics and application of water heating systems' and of water pumps and water storage tanks for multiple floor buildings. Instead, the Certificate III unit deals with the fundamental processes for identifying installation requirements and installing and testing a pipe system only. A separate Certificate III unit CPCPWT3023A Install and commission water heating systems is restricted to the installation of water heating systems and does not contain design or size elements.	
CPCPSN4011B Design and size sanitary plumbing systems Proposed for: plumber licence	Descriptor relates to designing, sizing and documenting the layout of sanitary plumbing systems for multi-floor buildings. (To obtain unit, person must be able to design and size a system for a minimum of 6 floors, using different sanitary plumbing systems, to plan and standards). Risks addressed (see table D1) : <ul style="list-style-type: none"> • Personal injury • Water wastage • Water supply contamination • Bacterial infection • Foul smells • Property and other asset damage 	Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of system layout and ensuring work meets Australian standards, regulatory and workplace requirements, including building plans. Design, materials, equipment and procedures are appropriate for task, efficient, sustainable and safe. Licensee is required to know characteristics and application of equipment, including different pipe systems, fixture supports and fixing and joining techniques. Avoidance of water contamination and structural damage, protection of health. Also covers environmental risks – material and energy use is efficient, proper disposal of waste. The nearest relevant core unit in the Certificate III is the unit CPCPSN3011B Plan layout of a residential sanitary plumbing system. This does not address the same level of skills as the proposed unit. While some skills, such as principles of drainage and principles of sanitary plumbing, are common, the Certificate III unit does not include the process and statutory requirements necessary to plan, size and layout the system, neither does it include training in relevant design software, the handling of hazardous waste or information on infectious diseases.	Plumber (licensed by all jurisdictions): NSW, VIC, QLD, WA, SA, TAS, ACT, NT
CPCPDR4011B Design and size sanitary drainage systems Proposed for: drainer licence	Descriptor relates to designing, sizing and documenting the layout of sanitary drainage systems for unit developments. Risks addressed (see table D1) : <ul style="list-style-type: none"> • Personal injury • Water wastage • Water supply contamination • Bacterial infection • Foul smells • Property and other asset 	Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of system layout and ensuring work meets Australian standards, regulatory and workplace requirements, including building plans. Design, materials, equipment and procedures are appropriate for task, efficient, sustainable and safe. Required to know characteristics and application of equipment, process of treating trade waste to acceptable levels of discharge, properties and characteristics of sewage, trade waste requirements and discharge levels. Avoidance of water contamination and structural damage, protection of health. Also covers environmental risks – material and energy use is efficient, proper disposal of waste. The nearest relevant core unit in the Certificate III is CPCPDR3021A Plan layout of a residential	Drainer (licensed by all jurisdictions): NSW, VIC, , WA, SA, TAS, ACT, NT

Certificate IV unit and licence for which it is proposed	Description (broadly)	Comparison to Cert III: Risk and risk management	Jurisdictions requiring the subject or equivalent
	damage	sanitary drainage system. This does not address the same level of skills as the proposed unit. The Certificate III unit includes the planning of a system but focuses on the system installation. It does not cover the design, sizing or documenting of the system, neither does it include training in relevant design software, the handling of hazardous waste, the process of treating trade waste to acceptable levels for discharge or information on infectious diseases relevant to working with plumbing systems.	
CPCPDR4013B Design and size domestic treatment plant disposal systems Proposed for: drainer licence	Descriptor relates to designing, sizing and documenting the layout of domestic treatment plant disposal systems. Risks addressed (see table D1) : <ul style="list-style-type: none"> • Personal injury • Water wastage • Water supply contamination • Bacterial infection • Foul smells • Property and other asset damage 	Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of system layout and ensuring work meets Australian standards, regulatory and workplace requirements. Design, materials, equipment and procedures are appropriate for task, efficient, sustainable and safe. Required to know principles, techniques and characteristics of effluent treatment and disposal, including land capability for on-site land application of effluent and site topography, property and characteristics of the soil. Avoidance of soil contamination and protection of health. Also covers environmental risks – material and energy use is efficient, proper disposal of waste. The nearest relevant core unit in the Certificate III is Certificate II unit CPCPDR2022A Install domestic treatment plants The training package notes on the application of this unit says that it ‘supports development of skills for installation of treatment plants in domestic situations’ whereas the Certificate IV unit provides outcomes ‘required to design, size and document the layout of domestic treatment plant disposal systems’. In other words, the Certificate II unit provides basic skills and knowledge and a framework for the work, while the Certificate IV unit provides the full range of skills necessary to perform the work unsupervised and without risk of effluent contamination.	Drainer (licensed by all jurisdictions): NSW, VIC, QLD, WA, SA, TAS, ACT, NT
CPCPGS4022A Service Type A gas appliances Proposed for: general gasfitter licence	Descriptor relates to diagnosing and repairing faults on domestic and commercial Type A gas appliances. Risks addressed (see table D2) : <ul style="list-style-type: none"> • Personal injury • Asphyxiation/poisoning/respiratory illness • Property and other asset damage 	Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of work on gas appliances. This involves knowledge of both gas and electricity. Gas work carries risks of potentially lethal fumes or combustion for both worker and consumer. Electrical work carries risk of electrocution (to worker or consumer) or fire, with potential risk to life or property. Aims to ensure materials, equipment and procedures, including testing, are appropriate for task, efficient and safe. The nearest relevant core unit in the Certificate III is CPCPGS3023 Disconnect and reconnect Type A Appliances. This unit is confined to performing disconnection/reconnection work on like appliance. It does not cover the skill provided by the Certificate IV unit which relates to diagnosing	General gasfitter (licensed in all jurisdictions): VIC (as separate specialised licence), QLD, SA, TAS, NT

Certificate IV unit and licence for which it is proposed	Description (broadly)	Comparison to Cert III: Risk and risk management	Jurisdictions requiring the subject or equivalent
		and repairing faults on Type A appliances, including gas system faults and electrical and electronic circuitry faults.	
<p>CPCPGS4011B Design and size consumer gas installations</p> <p>Proposed for: general gasfitter licence</p>	<p>Descriptor relates to designing, sizing and documenting a consumer’s gas installation, , including consumer piping operating up to a pressure of 200kPa, fluing, ventilation and appliance installation, using a range of gases, for a building of a minimum four floors and multiple buildings supplied through one gas source.</p> <p>Risks addressed (see table D2) :</p> <ul style="list-style-type: none"> • Personal injury • Asphyxiation/poisoning/respiratory illness • Property and other asset damage • Energy inefficiency 	<p>Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of work on consumer gas installations. Ensuring design and sizing meets Australian standards, regulatory and workplace requirements. Materials, equipment and procedures are appropriate for task, efficient, sustainable and safe. Gas work carries risks of potentially lethal fumes or combustion for both worker and consumer. Required to know building and construction terminology, gas and general electric safety, types and uses of gas pipe work and reticulation materials.</p> <p>The nearest relevant core unit in the Certificate III is CPCPGS3057A Size consumer gas piping systems. This unit is confined to sizing work only and does not include design, layout of gas installations, documenting elements, or relevant computer software design processes.</p>	<p>General gasfitter (licensed in all jurisdictions): NSW, VIC, QLD, WA, SA, TAS, NT</p>
<p>CPCPGS4023A Install, commission and service Type B gas installations</p> <p>Proposed for: gasfitter type B appliances licence</p>	<p>Descriptor relates to the installation, commissioning and servicing of Type B gas installations. Unit prerequisite of restricted electrical licence or equivalent.</p> <p>Risks addressed (see table D2) :</p> <ul style="list-style-type: none"> • Personal injury • Asphyxiation/poisoning/respiratory illness • Property and other asset damage • Energy inefficiency 	<p>Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of work on Type B gas installations. Involves knowledge of both gas and electricity. Gas work carries risks of potentially lethal fumes or combustion for both worker and consumer. Electrical work carries risk of electrocution (to worker or consumer) or fire, with potential risk to life or property.</p> <p>Work covered by unit involves a high level of technical and organisational ability including interpreting and applying design specifications, liaison with designer and gas authorities, obtaining formal authorities to proceed, working according to manufacturers’ requirements. Required to know characteristics, use and limitations of gas Type B components, ventilation techniques and calculations, site suitability and handling of materials, including hazardous substances.</p> <p>The nearest relevant unit in the Certificate III is the elective unit CPCPGS3050A Install Type B gas appliance flues. No other unit specifically relating to Type B gas work is readily identifiable. This unit is confined to the installation of flues only and does not cover the much broader scope of work</p>	<p>Gasfitter Type B: (licensed five jurisdictions): VIC, QLD, SA, TAS</p>

Certificate IV unit and licence for which it is proposed	Description (broadly)	Comparison to Cert III: Risk and risk management	Jurisdictions requiring the subject or equivalent
		covered in the Certificate IV unit relating to installing, commissioning and servicing Type B gas appliances. The training package states that the unit 'supports the needs of appropriately qualified experienced persons with a responsibility for interpreting and applying pre-existing design specifications..' This would indicate that it was not envisaged that the work would be conducted by a person who had only completed a Certificate III qualification, And that there would be risk in allowing that person, possibly newly-qualified, to undertake the full scope of work of the Type B gas appliance licence.	
CPCPMS4011B Design, size and lay out heating and cooling systems Proposed for: mechanical services licence	Descriptor relates to designing, sizing and documenting the layout of heating and cooling systems in multi-floor systems. Risks addressed (see table D1) : <ul style="list-style-type: none"> • Bacterial infection • Personal injury • Energy inefficiency 	Certificate IV unit covers consumer and worker protection – addressing specific work, health and safety aspects of work on ducting systems. Aims to ensure materials, equipment and procedures are appropriate for task, efficient and safe. Risks include hot water (from boilers, piping or radiators), poor air supply, environmental and health risks such as legionnaire’s disease and energy inefficiency. Licensees must have knowledge of design concepts and performance measure, electrical and electronic principles and safety procedures, gas and environmental protection regulatory requirements and sustainability. There are no core units that cover a similar, though restricted, level of work compared with that outlined at the Certificate IV level. Two elective units are closest, CPCPMS3038A Install air conditioning control equipment and CPCPMS3040A Install and maintain evaporative air cooling systems but no unit provides skills for design and layout at the Certificate III level.	Mechanical Services: (licensed two jurisdictions): VIC, TAS

Attachment E – Key changes to existing jurisdictional licensing arrangements

New South Wales

There are some general differences that would apply to new individual worker licence applicants when the preferred national licensing model is compared to current licensing arrangements, including:

- removal of some personal probity checks, health and fitness checks, evidence of experience and age requirements
- two gasfitting licence categories replace the three currently available at the contractor level; however, at the full licence level, one category is replaced by two
- removal of financial probity check for bankruptcy for tradesperson registration holders and (full) licence holders
- variation to the number of Certificate IV units required at the full licence level.

In New South Wales a licence or registration is not currently issued for mechanical services plumbing, and under national licensing neither will be issued for this occupation.

[Note that, in all the following jurisdictional tables, a compulsory unit or units refers to specific unit or units proposed as required for obtaining the relevant licence under national licensing. See 3.1.6 to identify the specific units required.]

Table E.1: Changes to existing licensing arrangements – New South Wales

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Endorsed supervisor – Plumbing work (includes sanitary) New requirements:</p> <ul style="list-style-type: none"> • additional two Certificate IV units of competency <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • fit and proper • experience • age requirement
<p>Drainer licence Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Endorsed supervisor – Draining work New requirements:</p> <ul style="list-style-type: none"> • additional three Certificate IV units of competency <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • fit and proper • experience • age requirement
<p>General gasfitter licence Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II units and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Endorsed supervisor – Gasfitting work New requirements: none Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • fit and proper • experience • age requirement

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence General gasfitter licence or qualifications to obtain it plus one compulsory Certificate IV unit Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Endorsed supervisor – Advanced liquid petroleum gasfitting work New requirements: none Removed requirements:</p> <ul style="list-style-type: none"> • one less Certificate IV unit of competency • health and fitness check • fit and proper • experience • age requirement
<p>Fire protection licence Certificate III in Fire Protection or Fire protection tradesperson registration plus two compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Endorsed supervisor – Water plumbing – Fire protection systems New requirements:</p> <ul style="list-style-type: none"> • additional three Certificate IV units of competency <p>Removed requirements:</p> <ul style="list-style-type: none"> • requirement for separate fire sprinkler systems licence • health and fitness check • fit and proper • experience • age requirement
<p>Mechanical services licence Certificate III in Plumbing (Mechanical Services) or Certificate III in Plumbing including the mechanical services stream or Mechanical services tradesperson’s registration plus three compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Plumber – tradesperson registration Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Tradesperson certificate – Plumbing work (includes sanitary) and Water plumbing New requirements: none Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • experience • age requirement • financial probity check for bankruptcy

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Tradesperson certificate – Draining work</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • experience • age requirement • financial probity check for bankruptcy
<p>General gasfitter – tradesperson registration</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Tradesperson certificate – Gasfitting work</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • experience • age requirement • financial probity check for bankruptcy
<p>Fire protection – tradesperson registration</p> <p>Certificate III in Fire Protection</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Tradesperson Certificate – Water plumbing work – Fire protection systems</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • experience • age requirement • financial probity check for bankruptcy
<p>Mechanical Services – tradesperson registration</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Contractor (in any category)</p> <p>One, three or five year licence duration</p>	<p>Current title: Endorsed contractor in all relevant categories</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • age requirement • reduced time requirement following bankruptcy

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Provisional plumber (water and sanitary)</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Provisional drainer</p> <p>Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Endorsed supervisor Water Plumbing work – Disconnect/Reconnect Electric Hot Water Heating Appliances</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check • criminal history check • fit and proper • experience • age requirement
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Water plumber – urban irrigation</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • health and fitness check. • criminal history check • fit and proper • experience • age requirement

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p><u>Current title:</u> No direct equivalent. New South Wales has two restricted fire protection licences covering fire protection systems and fire, however the work regulated is broader than inspect and test.</p> <p>NSW will decide whether a national licence would be issued for this category his category</p>

Victoria

There are some general differences that would apply to new individual worker licence applicants when compared to current licensing arrangements and these include:

- inclusion of financial probity checks for individual worker licences in relation to payment of penalties or fines
- removal of some personal probity checks, evidence of experience, additional testing requirements
- the introduction of a separate contractor level licence – currently licence holders can contract with the public
- at the tradesperson level, removal of the option for the regulator to issue a provisional registration in a single category where an applicant has not met the qualification requirements, other than for those who have met the agreed Offshore Technical Skills Record (OTSR) standards
- fire sprinkler systems work would no longer be issued as a restricted form of fire protection
- the endorsement for Type A gas conversion work would be removed and form part of general gasfitting
- separate registration for gasfitting Type B would be removed
- removal of the endorsement for Type A gasfitting work restricted to servicing
- a large number of restricted licences and registrations would be removed
- incidental design work would no longer form part of plumbing and gasfitting work and construction is not included in the regulated work
- work involving subsoil drains, stormwater pits and retention tanks is not included in the national licensing regulated work
- ducting, medical gases and split system work would no longer be regulated work under mechanical services.

Table E.2: Changes to existing licensing arrangements – Victoria

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Water supply plumber and sanitary plumber (two licences) New requirements:</p> <ul style="list-style-type: none"> • must hold a contractor’s licence if choosing to contract • additional two Certificate IV units of competency • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • separate water and sanitary licences • mandatory testing • personal probity check • removal of some financial probity requirements if applicant does not choose to contract
<p>Drainer licence Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Drainage licence New requirements:</p> <ul style="list-style-type: none"> • must hold a contractor’s licence if choosing to contract • additional two Certificate IV units of competency • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • separate water and sanitary licences • mandatory testing • personal probity check • removal of some financial probity requirements if applicant does not choose to contract
<p>General gasfitter licence Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II units and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Gasfitting licence New requirements:</p> <ul style="list-style-type: none"> • must hold a contractor’s licence if choosing to contract • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • personal probity check • mandatory testing • removal of some financial probity requirements if applicant does not choose to contract • removal of need for separate specialised licence for servicing Type A gas appliances

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence</p> <p>General gasfitter licence or qualifications to obtain it plus</p> <p>one compulsory Certificate IV unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Type B gasfitting work</p> <p>New requirements:</p> <ul style="list-style-type: none"> • must hold a contractor’s licence if choosing to contract • one less Certificate IV unit of competency • removal of prerequisite registration • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • requirement to hold disconnect/reconnect licence • personal probity check • removal of some financial probity requirements if applicant does not choose to contract
	<p>Current title: Type B gasfitting advanced</p> <p>New requirements:</p> <ul style="list-style-type: none"> • must hold a contractor’s licence if choosing to contract • one less Certificate IV unit of competency • removal of prerequisite registration • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing where required • personal probity check • removal of some financial probity requirements if applicant does not choose to contract
<p>Fire protection licence</p> <p>Certificate III in Fire Protection</p> <p>or</p> <p>Fire protection tradesperson registration</p> <p>plus</p> <p>two compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Fire protection licence</p> <p>New requirements:</p> <ul style="list-style-type: none"> • must hold a contractor’s licence if choosing to contract • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • personal probity check • removal of some financial probity requirements if applicant does not choose to contract • removal of restricted licence for fire sprinkler systems work

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Mechanical services licence</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>or</p> <p>Mechanical services tradesperson’s registration</p> <p>plus</p> <p>three compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Mechanical services licence</p> <p>New requirements:</p> <ul style="list-style-type: none"> • must hold a contractor’s licence if choosing to contract • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • personal probity check • removal of some financial probity requirements if applicant does not choose to contract • removal of ducting and medical gases from mechanical services regulated work
<p>Plumber – tradesperson registration</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Water supply registration and Sanitary registration (two registrations)</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • separate water and sanitary registration • experience requirements • mandatory testing • personal probity check
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Drainage registration</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • personal probity check
<p>General gasfitter – tradesperson registration</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gasfitting registration</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • personal probity check

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Fire protection – tradesperson registration</p> <p>Certificate III in Fire Protection</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Fire protection registration</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of fines • new category of licensing <p>Removed requirements:</p> <ul style="list-style-type: none"> • mandatory requirements • additional testing • personal probity check
<p>Mechanical Services – tradesperson registration</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>OR</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Mechanical services registration</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • personal probity check
<p>Contractor (in any category)</p> <p>One, three or five year licence duration</p>	<p>No contractor licence in this jurisdiction. Licence holders undertake contracting work.</p> <p>New requirement:</p> <ul style="list-style-type: none"> • introduction of contractor licences
<p>Provisional plumber (water and sanitary)</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>One year licence duration</p>	<p>Provisional licences will only be issued to offshore/onshore migrants. Current Victorian arrangements provide for the issuing of licences to local residents who have not met the qualification requirements to obtain a registration.</p>
<p>Provisional drainer</p> <p>Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Provisional licences will only be issued to offshore/onshore migrants. Current Victorian arrangements provide for the issuing of licences to local residents who have not met the qualification requirements to obtain a registration.</p>
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Provisional licences will only be issued to offshore/onshore migrants. Current Victorian arrangements provide for the issuing of licences to local residents who have not met the qualification requirements to obtain a registration.</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Water supply restricted to domestic hot water services</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • personal probity check • health and fitness check • criminal history check • removal of some financial probity requirements if applicant does not choose to contract
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Irrigation (non-agricultural) registration</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience requirements • mandatory testing • personal probity check • health and fitness check • criminal history check • removal of some financial probity requirements if applicant does not choose to contract
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: No direct equivalent.</p> <p>Victoria has a number of restricted fire protection licences covering hydrants and hose reels, fire sprinklers and fire system pump sets, however the work regulated is broader than inspect and test.</p> <p>Victoria will decide whether a national licence would be issued for this category</p>

Queensland

There are some general differences that would apply to new individual worker licence applicants when compared to current licensing arrangements and these include:

- inclusion of financial probity checks for individual worker licences in relation to payment of penalties or fines
- removal of some personal probity checks, health & fitness checks, evidence of experience requirements
- removal of requirement to hold business competencies from nominees and contractors
- the endorsement for solar hot water systems would be removed as it would be included in the work of a plumber
- removal of endorsement for on-site sewerage facility maintenance and separate endorsement on a drainer's licence
- removal of restricted gas appliance servicing licence for gas Type A (servicing, caravan servicing and restricted manufacturer appliance servicing work)
- removal of site supervisor's licence in ten categories
- the introduction of licensing for individuals carrying out gas Type B work:
 - currently these licences (described as gas work authorisations) are issued to companies and individuals (with appropriate skills and qualifications) authorised to carry out this work under the authority of that licence
 - companies carrying out complex gas Type B work not provided for under the national licensing scheme will need to continue to hold the relevant Queensland authorisation
- the introduction of contractor licensing for all gas Type B work. Currently, a contractor's licence is only required for type A gas work that is 'building work' (for the purposes of the *Queensland Building Services Authority Act 1991*)
- the consolidation of a number of separate fire protection licences into two licences (for water/plumbing based fire protection work; and inspect and test of fire equipment and fire systems work)
- removal of the following restricted licences relating to fire protection:
 - Water plumber – fire protection (hydrants and hose reels)
 - Water plumber – fire protection (commercial and industrial)
 - Water plumber – fire protection (domestic and residential)

This work would be carried out under the fire protection licence or by way of a restricted fire protection (inspecting/testing) licence;

- removal of the following plumber's licence endorsements relating to fire protection:
 - Fire protection – (domestic and residential)
 - Fire protection – (commercial and industrial)

This work would be carried out under the Fire protection licences.

- merging of the following restricted licenses: water plumber – gas and water plumber – electrical into one restricted licence: restricted plumber (disconnect/reconnect) work)
- drainage work may no longer be carried out by unlicensed individuals under the supervision of a licensed drainer. Incidental work related to drainage work, such as the excavation or backfilling of trenches will become unlicensed work (and need not be performed under supervision of a licensed drainer).

Table E.3: Changes to existing licensing arrangements – Queensland

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence</p> <p>Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Plumber’s licence</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity checks in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • business competencies • experience. • fit and proper
<p>Drainer licence</p> <p>Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Drainer’s licence</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity checks in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • one additional Certificate IV unit of competency • business competencies • experience • fit and proper
<p>General gasfitter licence</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II units and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Full gas work licence</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience (i.e. field experience forms for applicant not having completed an apprenticeship) • removal of separate restricted licences for gas Type A servicing • removal of initial single year maximum licence duration for the newly licensed (including submission of gas compliance certificates) • suitable person check <p>Licences initially issued for one year. On renewal, duration is five years.</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence</p> <p>General gasfitter licence or qualifications to obtain it plus</p> <p>one compulsory Certificate IV unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>No equivalent</p> <p>Gas Type B work is regulated under an Authorisation, which may be issued to an individual or company. However, individuals carrying out Type B under a company authorisation are not required to personally hold a licence/authorisation.</p> <p>The Queensland Government is yet to make a decision regarding the introduction of new licences. However, as this work is currently regulated via Authorisations, it is likely individuals carrying out this work in Queensland will need to personally hold the proposed Gasfitter Type B appliance licence upon commencement of the system.</p> <p>New requirements:</p> <ul style="list-style-type: none"> • Certificate III plus five additional Certificate IV units • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • regulator discretion to tailor eligibility requirements to the specific work undertaken under the relevant Authorisation • suitable person check
<p>Fire protection licence</p> <p>Certificate III in Fire Protection</p> <p>or</p> <p>Fire protection tradesperson registration</p> <p>plus</p> <p>two compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>No equivalent as the Queensland fire protection licences have a narrower scope of work</p>
<p>Mechanical services licence</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>or</p> <p>Mechanical services tradesperson's registration</p> <p>plus</p> <p>three compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>In Queensland a licence is only required for contracting of mechanical services plumbing work (as part of a BSA air-conditioning licence) and is not licensed at an occupational level.</p> <p>The Queensland Government is yet to make a decision regarding the introduction of new licences.</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber – tradesperson registration</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Provisional plumber</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements: none</p>
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Provisional drainer</p> <p>New requirements:</p> <ul style="list-style-type: none"> additional two units at Certificate III level financial probity check in relation to payment of penalties or fines <p>Removed requirements: none</p>
<p>General gasfitter – tradesperson registration</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gas work licence interim</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> experience (field experience form) licence currently issued one or two years only, after which there is a requirement to move to a gas work licence suitable person check
<p>Fire protection – tradesperson registration</p> <p>Certificate III in Fire Protection</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Restricted water plumber’s licence, Fire Protection (commercial and industrial)</p> <p>New requirements:</p> <ul style="list-style-type: none"> new category <p>Removed requirements:</p> <ul style="list-style-type: none"> removal of endorsement
	<p>Current title: Restricted water plumber’s licence, Fire protection (domestic and residential)</p> <p>New requirements:</p> <ul style="list-style-type: none"> new category financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> removal of endorsement
<p>Mechanical Services – tradesperson registration</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>OR</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>In Queensland a licence is only required for contracting of mechanical services plumbing work (as part of a BSA air-conditioning licence) and is not licensed at an occupational level.</p> <p>The Queensland Government is yet to make a decision regarding the introduction of new licenses.</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Contractor (in any category)</p> <p>Personal probity and financial probity requirements.</p> <p>If contractor does not hold a relevant licence to carry out work, must have nominee with relevant licence.</p> <p>One, three or five year licence duration</p>	<p><u>Current title:</u> Trade contractor’s licence – plumbing and drainage</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills qualifications (including managerial course) • fit and proper test • experience • insurance (now forms part of conduct requirements) <hr/> <p><u>Current title:</u> Trade contractor’s licence – drainage</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills qualifications (including managerial course) • annual financial capability checks • fit and proper test • experience • insurance (now forms part of conduct requirements) <hr/> <p><u>Current title:</u> Trade contractor’s licence – gasfitting</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills qualifications (including managerial course) • annual financial capability checks • fit and proper test • experience • insurance (now forms part of conduct requirements)
<p>Provisional plumber (water and sanitary)</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>One year licence duration</p>	<p>substantially the same</p> <p>New requirements:</p> <ul style="list-style-type: none"> • one year time limit for provisional licence
<p>Provisional drainer</p> <p>Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>substantially the same</p> <p>New requirements:</p> <ul style="list-style-type: none"> • one year time limit for provisional licence

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>New requirements:</p> <ul style="list-style-type: none"> • new licence • one year time limit for provisional licence
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Water plumber – electrical (RWP - electrical)</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity checks in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • criminal history check
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Water plumber – irrigation</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity checks in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • criminal history check
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: No direct equivalent, but Queensland has inspect and test licences for:</p> <p>Sprinkler and suppression systems – reticulated water based</p> <p>Fire pumps; and</p> <p>Fire hydrants and hose reels.</p> <p>Removed requirements might therefore be removal of two additional licence categories.</p>

Western Australia

There are some general differences that would apply to new individual worker licence applicants when compared to current licensing arrangements and these include:

- inclusion of financial probity checks for individual worker licences in relation to payment of penalties or fines
- removal of some personal probity checks, health & fitness checks, evidence of experience requirements
- the introduction of a separate contractor level licence – currently licence holders can contract with the public
- removal of gasfitter's apprenticeship permit as apprentices will be exempt from licensing
- removal of the gasfitting licence restricted to servicing
- minor plumbing work, such as changing tap washers, would be exempted under national licensing
- removal of separate authorisations at both Class G and Class I gasfitting where licensee wishes to supervise work.

In Western Australia a licence or registration is not currently issued for mechanical services or fire protection plumbing and under national licensing neither will be issued for these occupations in this jurisdiction.

Table E.4: Changes to existing licensing arrangements – Western Australia

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Plumbing contractor New requirements:</p> <ul style="list-style-type: none"> • additional one unit of competency <p>Removed requirements:</p> <ul style="list-style-type: none"> • removal of business units • fit and proper check • experience
<p>Drainer licence Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Plumbing contractor New requirements: none Removed requirements:</p> <ul style="list-style-type: none"> • removal of business units • fit and proper check • experience
<p>General gasfitter licence Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Class G gasfitting permit New requirements:</p> <ul style="list-style-type: none"> • probity check <p>Removed requirements:</p> <ul style="list-style-type: none"> • fit and proper check

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence General gasfitter licence or qualifications to obtain it plus one compulsory Certificate IV unit Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Class I gasfitting permit New requirements: none Removed requirements:</p> <ul style="list-style-type: none"> • fit and proper check • experience
<p>Fire protection licence Certificate III in Fire Protection or Fire protection tradesperson registration plus two compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the fire protection category in this jurisdiction.</p>
<p>Mechanical services licence Certificate III in Plumbing (Mechanical Services) or Certificate III in Plumbing including the mechanical services stream or Mechanical services tradesperson’s registration plus three compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Plumber – tradesperson registration Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Tradesperson’s licence New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • fit and proper person test • experience

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Tradesperson’s (drainage plumbing) licence</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> fit and proper person test experience
<p>General gasfitter – tradesperson registration</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gasfitting permit – Class G (Type A appliances)</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> fit and proper person test
<p>Fire protection – tradesperson registration</p> <p>Certificate III in Fire Protection</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the fire protection category in this jurisdiction.</p>
<p>Mechanical Services – tradesperson registration</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>OR</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Contractor (in any category)</p> <p>One, three or five year licence duration</p>	<ul style="list-style-type: none"> <u>No contractor licence in this jurisdiction and anyone can contract for plumbing or gasfitting work.</u>
<p>Provisional plumber (water and sanitary)</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Provisional drainer</p> <p>Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Restricted plumbing permit</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • criminal history check • experience
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II selected compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the urban irrigation category in this jurisdiction.</p>
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the fire protection category in this jurisdiction.</p>

South Australia

There are some general differences that would apply to new individual worker licence applicants when compared to current licensing arrangements and these include:

- inclusion of financial probity checks for individual worker licences in relation to payment of penalties or fines
- removal of very high number of conditioned or restricted licences and registrations and the ability to license 'in any other way'. As an example, there is no separate fire protection category but legislation permits the issuing of a plumbing licence limited to fire protection. Under national licensing, a separate category would exist for fire protection. Currently, licences exist which are restricted to a location or a company. No new licences will be issued in these areas.
- removal of requirement for an apprentice to be licensed.

In South Australia a licence or registration is not currently issued for mechanical services plumbing and under national licensing will not be issued for this occupation in this jurisdiction.

Table E.5: Changes to existing licensing arrangements – South Australia

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: PWR water plumbing work and PWR sanitary plumbing work New requirements:</p> <ul style="list-style-type: none"> licence duration is normally one year for contractors and three years for a worker licensee. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion <p>Removed requirements: none</p>
<p>Drainer licence Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: PWR drainage work New requirements:</p> <ul style="list-style-type: none"> licence duration is normally one year for contractors and three years for a worker licensee. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion <p>Removed requirements: none</p>
<p>General gasfitter licence Certificate III in Gas Fitting including one compulsory Certificate II units and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: GWR gasfitting work New requirements:</p> <ul style="list-style-type: none"> licence duration is normally one year for contractors and three years for a worker licensee. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion <p>Removed requirements: none</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence</p> <p>General gasfitter licence or qualifications to obtain it plus</p> <p>one compulsory Certificate IV unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: GWR limited to Type B gasfitting work</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally one year for contractors and three years for a worker licensee. Under national licensing, there will be the renewal option of one, three or five years at the licensee's discretion <p>Removed requirements: none</p>
<p>Fire protection licence</p> <p>Certificate III in Fire Protection</p> <p>or</p> <p>Fire protection tradesperson registration</p> <p>plus</p> <p>two compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: PWR limited to fire protection work</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally one year for contractors and three years for a worker licensee. Under national licensing, there will be the renewal option of one, three or five years at the licensee's discretion • two additional Certificate IV units <p>Removed requirements:</p> <ul style="list-style-type: none"> • five additional Certificate IV units
<p>Mechanical services licence</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>or</p> <p>Mechanical services tradesperson's registration</p> <p>plus</p> <p>three compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Plumber – tradesperson registration</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: PWR water plumbing work under technical direction or PWR sanitary work under technical direction</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally three years. Under national licensing, there will be the renewal option of one, three or five years at the licensee's discretion <p>Removed requirements: none</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: PWR drainage work under technical direction</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally three years. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion <p>Removed requirements: none</p>
<p>General gasfitter – tradesperson registration</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: GWR gasfitting work under technical direction</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally three years. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion <p>Removed requirements: none</p>
<p>Fire protection – tradesperson registration</p> <p>Certificate III in Fire Protection</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: PWR limited to fire protection work under technical direction</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally three years. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion <p>Removed requirements: none</p>
<p>Mechanical Services – tradesperson registration</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>OR</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Contractor (in any category)</p> <p>One, three or five year licence duration</p>	<p>Current title: PCL contract for any plumbing work (e.g. sanitary, water, drainage, water and sanitary, water and drainage, etc.)</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally one year. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion • requirement for a nominee <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills qualifications (business units) • financial resources check will be replaced with a financial probity check

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
	<p>Current title: PCL fire protection work</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally one year. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion • requirement for a nominee <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills qualifications (business units) • financial resources check will be replaced with a financial probity check <hr/> <p>Current title: GCL contract for any gasfitting work</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally one year. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion • requirement for a nominee <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills qualifications (business units) • financial resources check will be replaced with a financial probity check <hr/> <p>Current title: GCL contract limited to installation, servicing and commissioning of Type B gas appliances</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally one year. Under national licensing, there will be the renewal option of one, three or five years at the licensee’s discretion • requirement for a nominee <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills qualifications (business units) • financial resources check will be replaced with a financial probity check
<p>Provisional plumber (water and sanitary)</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Provisional drainer</p> <p>Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: PWR limited to disconnect/reconnect</p> <p>New requirements:</p> <ul style="list-style-type: none"> • licence duration is normally three years. Under national licensing, there will be the renewal option of one, three or five years at the licensee's discretion <p>Removed requirements: none</p>
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed in SA. This licence has a lower barrier to entry for the irrigation industry; SA is therefore considering the introduction of this restricted licence.</p>
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed in SA. This licence is proposed to be introduced as it has a lower barrier to entry and reduced scope of work than the current Certificate III requirements.</p>

Tasmania

There are some general differences that would apply to new individual worker licence applicants when compared to current licensing arrangements and these include:

- inclusion of financial probity checks for individual worker licences in relation to payment of penalties or fines
- removal of some personal probity checks, health & fitness checks, and mandatory skills maintenance requirements
- minor plumbing work, such as changing tap washers, would be exempted under national licensing
- In Tasmania a separate licence or registration is not currently issued for fire protection plumbing and under national licensing Tasmania would decide whether to include the separate licence category.

Table E.6: Changes to existing licensing arrangements – Tasmania

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence</p> <p>Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Plumber practitioner (certifier)</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • compulsory professional development • fit and proper • health and fitness check
<p>Drainer licence</p> <p>Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Plumber practitioner (certifier)</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • compulsory professional development • experience • fit and proper • health and fitness check
<p>General gasfitter licence</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Gasfitter practitioner (certifier)</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • two less Certificate IV units of competency • compulsory professional development • experience • fit and proper • health and fitness check

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence</p> <p>General gasfitter licence or qualifications to obtain it plus</p> <p>one compulsory Certificate IV unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gasfitter Type B standard</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • one less Certificate IV unit of competency • compulsory professional development • experience • fit and proper • health and fitness check
<p>Fire protection licence</p> <p>Certificate III in Fire Protection</p> <p>or</p> <p>Fire protection tradesperson registration</p> <p>plus</p> <p>two compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed separately and Tasmania would choose whether to license this category.</p>
<p>Mechanical services licence</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>or</p> <p>Mechanical services tradesperson's registration</p> <p>plus</p> <p>three compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Plumber practitioner (certifier)</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • two less Certificate IV units of competency • compulsory professional development • experience • fit and proper • health and fitness check
<p>Plumber – tradesperson registration</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Plumber practitioner</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirement:</p> <ul style="list-style-type: none"> • compulsory professional development

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Plumber practitioner</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirement:</p> <ul style="list-style-type: none"> compulsory professional development
<p>General gasfitter – tradesperson registration</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gasfitter (provisional)</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirement:</p> <ul style="list-style-type: none"> compulsory professional development
<p>Fire protection – tradesperson registration</p> <p>Certificate III</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed separately and Tasmania would choose whether to license this category.</p>
<p>Mechanical Services – tradesperson registration</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>OR</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Plumber practitioner – mechanical services</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirement:</p> <ul style="list-style-type: none"> compulsory professional development
<p>Contractor (in any category)</p> <p>One, three or five year licence duration</p>	<p>Current title: Contractor licences – any category</p> <p>New requirements: none</p> <p>Removed requirement:</p> <ul style="list-style-type: none"> compulsory professional development insurance
<p>Provisional plumber (water and sanitary)</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>One year licence duration</p>	<p>Substantially the same</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Provisional drainer</p> <p>Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed separately and Tasmania would choose whether to license this category.</p>
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed separately and Tasmania would choose whether to license this category.</p>
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed separately and Tasmania would choose whether to license this category.</p>

Australian Capital Territory

There are some general differences that would apply to new individual worker licence applicants when compared to current licensing arrangements and these include:

- inclusion of financial probity checks for individual worker licences in relation to payment of penalties or fines
- removal of some personal probity checks, evidence of experience requirements
- potential introduction of a separate contractor-level licence for technically qualified individuals – currently licences are not issued specifically in relation to the ability to contract and there are no restrictions on contracting.
- In the Australian Capital Territory a licence or registration is not currently issued for mechanical services plumbing and a licence is not issued for Restricted plumber's (disconnect/reconnect) licence; under national licensing these will not be issued for these occupations.

Table E.7: Changes to existing licensing arrangements – Australian Capital Territory

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Plumber – water supply plumber or Plumber – sanitary plumber New requirements:</p> <ul style="list-style-type: none"> • additional three Certificate IV units of competency • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience
<p>Drainer licence Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Drainer – advanced sanitary drainer New requirements:</p> <ul style="list-style-type: none"> • additional two Certificate IV units of competency • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience
<p>General gasfitter licence Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II units and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Gasfitter – advanced New requirements:</p> <ul style="list-style-type: none"> • additional two Certificate IV units of competency • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience • additional testing • separate licences for LPG (2)

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence</p> <p>General gasfitter licence or qualifications to obtain it plus</p> <p>one compulsory Certificate IV unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gas Type B accreditation</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience • additional testing
<p>Fire protection licence</p> <p>Certificate III in Fire Protection</p> <p>or</p> <p>Fire protection tradesperson registration</p> <p>plus</p> <p>two compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Plumber – fire sprinkler fitter</p> <p>New requirements: none</p> <p>Removed requirements: none</p>
<p>Mechanical services licence</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>or</p> <p>Mechanical services tradesperson’s registration</p> <p>plus</p> <p>three compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Plumber – tradesperson registration</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Plumber – journeyman plumber</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements: none</p>
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the</p>	<p>Current title: Drainer – journeyman drainer</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements: none</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
licensing authority One, three or five year licence duration	<p>Current title: Drainer – operative drainer</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements: none</p>
<p>General gasfitter – tradesperson registration</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gasfitter – general</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> additional testing <hr/> <p>Current title: Gasfitter – journeyperson gasfitter</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> additional testing
<p>Fire protection – tradesperson registration</p> <p>Certificate III in Fire Protection</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Plumber – journeyperson fire sprinkler fitter</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements: none</p>
<p>Mechanical Services – tradesperson registration</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Contractor (in any category)</p> <p>One, three or five year licence duration</p>	<p>Current title: Contractor licence (issued only against full plumbing and gasfitting licences)</p> <p>New requirements: none</p> <p>Removed requirements:</p> <ul style="list-style-type: none"> financial resources insurance experience
<p>Provisional plumber (water and sanitary)</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>One year licence duration</p>	<p>Substantially the same</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Provisional drainer</p> <p>Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the restricted plumber's (disconnect/reconnect) category in this jurisdiction.</p>
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II selected compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the urban irrigation category in this jurisdiction.</p>
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and the ACT would choose whether to licence this category The ACT licences fire sprinkler fitters; however the work regulated is broader than inspect and test.</p>

Northern Territory

There are some general differences that would apply to new individual worker licence applicants when compared to current licensing arrangements and these include:

- inclusion of financial probity checks for individual worker licences in relation to payment of penalties or fines
- removal of some personal probity checks, health & fitness checks, evidence of experience and mandatory skills maintenance requirements
- the introduction of a separate contractor level licence – currently licence holders can contract with the public
- minor plumbing work, such as changing tap washers, would be exempted under national licensing
- removal of the requirement for a Provisional gasfitting certificate holder to obtain a full general gasfitter licence after one year.
- In the Northern Territory a licence or registration is not currently issued for mechanical services plumbing, fire protection plumbing or for a Plumber – disconnect and reconnect; under national licensing these will not be issued for these occupations in this jurisdiction.

Table E.8: Changes to existing licensing arrangements – Northern Territory

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Plumber licence Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) or Plumber tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Advanced tradesman licence – plumber*</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience • three Certificate IV units • skills maintenance (on renewal)
<p>Drainer licence Certificate III in Plumbing including the drainage stream and one compulsory unit or Certificate II in Drainage including two compulsory Certificate III units or Drainer tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Advanced tradesman licence – drainer*</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience • two Certificate IV units • skills maintenance (on renewal)
<p>General gasfitter licence Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II units and one compulsory Certificate III unit or General gasfitter tradesperson registration plus four compulsory Certificate IV units Financial probity checks in relation to payment of penalties or fines Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration</p>	<p>Current title: Gasfitter – domestic /commercial</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Gasfitter Type B appliances licence</p> <p>General gasfitter licence or qualifications to obtain it plus</p> <p>one compulsory Certificate IV unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Gasfitter – Type B</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • experience
<p>Fire protection licence</p> <p>Certificate III in Fire Protection</p> <p>or</p> <p>Fire protection tradesperson registration</p> <p>plus</p> <p>two compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the fire protection category in this jurisdiction.</p>
<p>Mechanical services licence</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>or</p> <p>Certificate III in Plumbing including the mechanical services stream</p> <p>or</p> <p>Mechanical services tradesperson’s registration</p> <p>plus</p> <p>three compulsory Certificate IV units</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Plumber – tradesperson registration</p> <p>Certificate III in Plumbing</p> <p>or</p> <p>Certificate III in Plumbing (Mechanical Services)</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Current title: Journeyman registration – plumber</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • skills maintenance (on renewal)
<p>Drainer – tradesperson registration</p> <p>Certificate III in Plumbing including the drainage stream including one compulsory Certificate III unit</p> <p>or</p> <p>Certificate II in Drainage plus two compulsory Certificate III units</p> <p>Skills maintenance on an as needs basis when directed by the</p>	<p>Current title: Journeyman Registration – drainer</p> <p>New requirements:</p> <ul style="list-style-type: none"> • financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> • Skills maintenance (on renewal)

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
licensing authority One, three or five year licence duration	<p>Current title: Journeyman registration – plumber and drainer</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> skills maintenance (on renewal)
<p>General gasfitter – tradesperson registration</p> Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units or Certificate III in Plumbing including the gas services stream including one compulsory Certificate II unit and one compulsory Certificate III unit Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration	<p>Current title: Gasfitter – provisional gasfitting certificate</p> <p>New requirements:</p> <ul style="list-style-type: none"> financial probity check in relation to payment of penalties or fines <p>Removed requirements:</p> <ul style="list-style-type: none"> licence duration not restricted to one year
<p>Fire protection – tradesperson registration</p> Certificate III in Fire Protection Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration	<p>Not currently licensed and a national licence would not be issued for the fire protection category in this jurisdiction.</p>
<p>Mechanical Services – tradesperson registration</p> Certificate III in Plumbing (Mechanical Services) OR Certificate III in Plumbing including the mechanical services stream Skills maintenance on an as needs basis when directed by the licensing authority One, three or five year licence duration	<p>Not currently licensed and a national licence would not be issued for the mechanical services category in this jurisdiction.</p>
<p>Contractor (in any category)</p> One, three or five year licence duration	<p>No contractor licence in this jurisdiction. Licence holders are able to undertake contracting work.</p>
<p>Provisional plumber (water and sanitary)</p> Offshore Technical Skills Record successfully assessed against either of: Certificate III in Plumbing or Certificate III in Plumbing (Mechanical Services) One year licence duration	<p>Substantially the same</p>
<p>Provisional drainer</p> Offshore Technical Skills Record successfully assessed against Certificate III in Plumbing including the drainage stream and one compulsory Certificate III unit One year licence duration	<p>Substantially the same</p>

Proposed national licence (occupational) categories, eligibility and other requirements	Changes to existing licence categories, eligibility and other requirements
<p>Provisional general gasfitter</p> <p>Offshore Technical Skills Record successfully assessed against either of:</p> <p>Certificate III in Gas Fitting including one compulsory Certificate II unit and two compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Plumbing including the gas services stream and one compulsory Certificate II unit and one compulsory Certificate III unit</p> <p>One year licence duration</p>	<p>Substantially the same</p>
<p>Restricted plumber (disconnect/reconnect)</p> <p>Completion of two compulsory units of competency from Certificate III in Plumbing and one compulsory unit from Certificate IV Plumbing and Services</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the restricted plumber's (disconnect/reconnect) category in this jurisdiction.</p>
<p>Restricted plumber – urban irrigation work</p> <p>Certificate II in Urban Irrigation including four compulsory Certificate III units</p> <p>or</p> <p>Certificate III in Irrigation including five compulsory Certificate III units and two compulsory Certificate II units</p> <p>or</p> <p>Certificate III in Plumbing including three compulsory Certificate III units and one Certificate II compulsory unit</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the urban irrigation category in this jurisdiction.</p>
<p>Restricted plumber – fire protection (inspecting/ testing)</p> <p>Certificate II in Fire Protection Inspection and Testing</p> <p>Financial probity checks in relation to payment of penalties or fines</p> <p>Skills maintenance on an as needs basis when directed by the licensing authority</p> <p>One, three or five year licence duration</p>	<p>Not currently licensed and a national licence would not be issued for the fire protection category in this jurisdiction.</p>

* Note that, although separate licences for plumbing and drainage may be issued under NT legislation, in practice apprenticeship training in the NT makes water, sanitary and drainage streams compulsory so that completing apprentices currently qualify for both streams.

Comparison of Certificate IV – current and three tier approach

The following tables provides a comparison of the Certificate IV units required both currently, and in the three tier, sub-option 2 under national licensing, for the equivalent of a (full) licence. Under current arrangements, jurisdictions may call this a plumber’s or gasfitter’s licence, plumbing or gasfitting contractor licence, plumbing or gasfitting certifier licence, or similar, depending on the area of activity. In all cases, these requirements are in addition to the relevant Certificate III qualification or equivalent which forms the entry qualification.

Plumber

Note: Commission and maintain backflow prevention devices and Commission and maintain heated water temperature control devices are proposed to be available as endorsements. Existing licence holders with these units will be transitioned with the endorsement, as appropriate.

Table E.9: New South Wales: Plumbing work (including sanitary and water plumbing)

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCBC4012A Read and interpret plans and specifications	✓	X
CPCPCM4001A Carry out work-based risk control processes	X	✓
CPCPCM4002A Estimate and cost work	X	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	✓
CPCPSN4011A Design and size sanitary plumbing systems	✓	✓
CPCPDR4011A Design and size sanitary drainage systems (NSW only)	✓	X
CPCPDR4012A Design and size stormwater drainage systems (NSW only)	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems (NSW only)	✓	X

Table E.10: Victoria: Plumber – Water supply plumber and Sanitary plumber

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes (required for both water and sanitary)	✓	✓
CPCPCM4002A Estimate and cost work (required for both water and sanitary)	✓	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	✓
CPCPWT4012A Commission and maintain backflow prevention devices	X (but is available as endorsement)	X (but is available as endorsement)
BSBSMB401A Establish legal and risk management requirements of small business (Vic, Qld, WA, SA and NT – required for both water and sanitary)	✓	X
CPCPSN4011A Design and size sanitary plumbing systems (required sanitary only)	✓	✓

Table E.11: Queensland – Plumber’s licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	✓
BSBSMB401A Establish legal and risk management requirements of small business (VIC, QLD, WA, SA and NT)	✓	X
CPCPSN4011A Design and size sanitary plumbing systems	✓	✓

Table E.12: Western Australia – Plumbing contractor’s licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	✓
CPCPWT4012A Commission and maintain backflow prevention devices	✓	X
CPCPWT4013A Commission and maintain heated water temperature control devices	✓	X
BSBSMB401A Establish legal and risk management requirements of small business (VIC, QLD, WA, SA and NT)	✓	X
CPCPSN4011A Design and size sanitary plumbing systems	✓	✓

Table E.13: South Australia – Plumbing contractor licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	✓
CPCPWT4012A Commission and maintain backflow prevention devices	✓	X
CPCPWT4013A Commission and maintain heated water temperature control devices	✓	X
BSBSBM402A/BSBSMB402A Undertake financial planning/Plan small business finances or BSBSBM406A/BSBSMB406A Manage finances/Manage small business finances	✓	X
BCGBC4009A/CPCCBC4009A Apply legal requirements to building and construction projects or BSBSBM401A/BSBSMB401A Establish business & legal requirements/Establish legal and risk management requirements of small business (VIC, QLD, WA, SA and NT)	✓	X
CPCPSN4011A Design and size sanitary plumbing systems	✓	✓

Table E.14: Tasmania – Plumber practitioner (certifier) Water plumber and Plumber practitioner (certifier) Sanitary plumber

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCBC4012A Read and interpret plans and specifications (required for both water and sanitary)	✓	X
CPCPCM4001A Carry out work-based risk control processes (required for both water and sanitary)	✓	✓
CPCPCM4002A Estimate and cost work (required for both water and sanitary)	✓	✓
BSBOHS403B Identify hazards and assess OHS risks (required for both water and sanitary)	✓	X
CPCPWT4011A Design and size heated and cold water services and systems (required for water)	✓	✓
CPCPWT4012A Commission and maintain backflow prevention devices	X (but is available as endorsement)	X
CPCPWT4013A Commission and maintain heated water temperature control devices	X (but is available as endorsement)	X (but is available as endorsement)
CPCPSN4011A Design and size sanitary plumbing systems (required for sanitary)	✓	✓

Table E.15: Australian Capital Territory – Plumber’s licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCBC4012A Read and interpret plans and specifications	✓	X
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	✓
CPCPSN4011A Design and size sanitary plumbing systems (required for sanitary)	✓	✓

Table E.16: Northern Territory – Advanced tradesman – plumber licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	✓
CPCPWT4012A Commission and maintain backflow prevention devices	✓	X (but is available as endorsement)
CPCPWT4013A Commission and maintain heated water temperature control devices	✓	X (but is available as endorsement)
BSBSBM401A Establish business and legal requirements of small business (VIC, QLD, WA, SA and NT)	✓	X
CPCPSN4011A Design and size sanitary plumbing systems (required for sanitary)	✓	✓

Drainer

Table E.17: New South Wales – Draining work

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCBC4012A Read and interpret plans and specifications	✓	X
CPCPCM4001A Carry out work-based risk control processes	X	✓
CPCPCM4002A Estimate and cost work	X	✓
CPCPDR4011A Design and size sanitary drainage systems	✓	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓

Table E.18: Victoria – Drainage

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4002A Estimate and cost work	✓	✓
CPCPDR4011A Design and size sanitary drainage systems	✓	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓
BSBSMB401A Establish legal and risk management requirements of small business (VIC, QLD, SA and NT)	✓	X

Table E.19: Queensland – Drainer licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPDR4011A Design and size sanitary drainage systems	X	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓
BSBSMB401A – Establish legal and risk management requirements of small business (VIC, QLD, SA and NT)	✓	X

Table E.20: Western Australia – Plumbing contractor's (drainage plumbing) licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPDR4011A Design and size sanitary drainage systems	✓	✓
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓

Table E.21: South Australia – Drainage plumber contractor licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPDR4011A Design and size sanitary drainage systems	✓	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓
BSBSBM402A/BSBSMB402A Undertake financial planning/Plan small business finances or BSBSBM406A/BSBSMB406A Manage finances/Manage small business finances	✓	X
BCGBC4009A/CPCBC4009A Apply legal requirements to building and construction projects or BSBSBM401A/BSBSMB401A Establish business & legal requirements/Establish legal and risk management requirements of small business (VIC, QLD, SA and NT)	✓	X

Table E.22: Tasmania – Plumber practitioner drainer

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCBC4012A Read and interpret plans and specifications	✓	X
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
BSBOHS403B Identify hazards and assess OHS risks	✓	X
CPCPDR4011A Design and size sanitary drainage systems	✓	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓

Table E.23: Australian Capital Territory – Advanced sanitary drainer

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPDR4011A Design and size sanitary drainage systems	✓	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓

Table E.24: Northern Territory – Advanced tradesman – Drainer

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPDR4011A Design and size sanitary drainage systems	✓	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	X
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓
BSBSMB401A Establish legal and risk management requirements of small business (VIC, QLD, SA and NT)	✓	X

Fire protection

Table E.25: New South Wales – Fire protection

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCBC4012A Read and interpret plans and specifications	✓	X
CPCPCM4001A Carry out work-based risk control processes	X	✓
CPCPCM4002A Estimate and cost work	X	✓
CPCPWT4011A Design and size heated and cold water	✓	X

Table E.26: Victoria – Fire protection

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPRF4011A Design residential and domestic fire sprinkler systems	✓	X
CPCPFS4012A Commission and maintain special fire suppression systems	✓	X
<i>BSBSMB401A Establish legal and risk management requirements of small business (Vic only, noting that in SA work is undertaken and unit is required for Building work contractor)</i>	✓	X

Table E.27: Queensland – Contractor licence Fire protection

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	X	✓
CPCPCM4002A Estimate and cost work	X	✓
CPCPRF4011A Design residential and domestic fire sprinkler systems	✓	X

General gasfitter

Table E.28: New South Wales – General gasfitter

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	X	✓
CPCPCM4002A Estimate and cost work	X	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	X	✓
CPCCBC4012A Read and interpret plans and specifications	✓	X

Table E.29: Victoria – Gasfitting

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	X (but is available as specialised licence/endorsement)	✓
BSBSMB401A Establish legal and risk management requirements of small business	✓	X

Table E.30: Queensland – Full gas work licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	✓	✓

Table E.31: Western Australia – Gasfitter

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	X	✓
CPCPCM4002A Estimate and cost work	X	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	✓	✓

Table E.32: South Australia – Gasfitting contractor licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	✓	✓
BSBSBM402A/BSBSMB402A Undertake financial planning/Plan small business finances or BSBSBM406A/BSBSMB406A Manage finances/Manage small business finances	✓	X
BCGBC4009A/CPCBC4009A Apply legal requirements to building and construction projects or BSBSBM401A/BSBSMB401A Establish business & legal requirements/Establish legal and risk management requirements of small business	✓	X

Table E.33: Tasmania – Gasfitter practitioner

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	✓	✓
CPCBC4012A Read and interpret plans and specifications	✓	X
BSBOHS403B Identify hazards and assess OHS risks	✓	X

Table E.34 Australian Capital Territory – Advanced gasfitter

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	X	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	X	✓

Table E.35: Northern Territory – Gasfitter – domestic/commercial

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCPGS4011A Design and size consumer gas installations	✓	✓
CPCPGS4012A Service Type A gas appliances	✓	✓

Gasfitter Type B

Table E.36: New South Wales – Advanced LPG gasfitting

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPGS4003A Install, commission and service Type B gas appliances	X	✓
CPCCBC4012A Read and interpret plans and specifications	✓	X
CPCPGS4011A Design and size consumer gas installations	✓	X

Table E.37: Victoria – Type B gasfitting

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPGS4003A Install, commission and service Type B gas appliances	✓	✓
CPCPCM4001A Carry out work-based risk control processes	✓	X
CPCPCM4002A Estimate and cost work	✓	X
BSBSMB401A Establish legal and risk management requirements of small business	✓	X

Table E.38: Queensland – Gas work authorisation

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPGS4003A Install, commission and service Type B gas appliances	✓	✓

Table E.39: South Australia – Install, commission and service Type B gas appliances

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPGS4003A Install, commission and service Type B gas appliances	✓	✓

Table E.40: Tasmania – Gasfitter Type B level 3 licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPGS4003A Install, commission and service Type B gas	✓	✓
CPCPPS5001A Design industrial gas systems	✓	X

Mechanical services

Table E.41: Victoria – Mechanical services licence

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPMS4011A Design, size and layout heating and cooling systems	✓	✓
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
BSBSMB401A Establish legal and risk management requirements of small business	✓	X

Table E.42: Tasmania – Plumber practitioner (mechanical services plumbing)

Certificate IV unit of competency	Current	Three tier, sub-option 2
CPCPMS4011A Design, size and layout heating and cooling systems	✓	✓
CPCPCM4001A Carry out work-based risk control processes	✓	✓
CPCPCM4002A Estimate and cost work	✓	✓
CPCCBC4012A Read and interpret plans and specifications	✓	X
BSBOHS403B Identify hazards and assess OHS risks	✓	X
CPCPMS4002A Commission air and water systems	✓	X

Table E.43: Proposed Certificate IV level requirements under sub-option 2 and current requirements

Category of (full) licence	Number of Certificate IV units proposed	Comparison with current jurisdictional requirements (for equivalent licence)
Plumber (combines water and sanitary plumbing)	<ul style="list-style-type: none"> CPCPCM4001A Carry out work-based risk control processes CPCPCM4002A Estimate and cost work CPCPWT4011A Design and size heated and cold water services and systems CPCPSN4011A Design and size sanitary plumbing systems 	<p>For water plumbing:</p> <ul style="list-style-type: none"> 1 jurisdiction requires seven units 3 jurisdictions require six units 1 jurisdiction requires five units 3 jurisdictions require four units <p>For sanitary plumbing:</p> <ul style="list-style-type: none"> 1 jurisdiction requires six units 2 jurisdictions require five units 3 jurisdictions require four units 2 jurisdictions require three units <p>Note: there are a number of common units between water and sanitary plumbing</p>
Drainer	<ul style="list-style-type: none"> CPCPCM4001A Carry out work-based risk control processes CPCPCM4002A Estimate and cost work CPCPDR4011A Design and size sanitary drainage systems CPCPDR4013A Design and size domestic treatment plant disposal systems 	<p>2 jurisdictions require seven units</p> <p>2 jurisdictions require six units</p> <p>2 jurisdictions require five units</p> <p>2 jurisdictions require four units</p>
General gasfitter	<ul style="list-style-type: none"> CPCPCM4001A Carry out work-based risk control processes CPCPCM4002A Estimate and cost work CPCPGS4011A Design and size consumer gas installations CPCPGS4012A Service Type A gas appliances 	<p>2 jurisdictions require six units</p> <p>4 jurisdictions require four units</p> <p>2 jurisdictions require two units</p>

Category of (full) licence	Number of Certificate IV units proposed	Comparison with current jurisdictional requirements (for equivalent licence)
Gasfitter Type B	<ul style="list-style-type: none"> • CPCPGS4003A Install, commission and service Type B gas appliances 	<p>1 jurisdiction requires four units 2 jurisdictions require two units 2 jurisdictions require one unit 1 jurisdiction requires 0 units Two jurisdictions do not license and one jurisdiction licenses differently.</p>
Fire protection	<ul style="list-style-type: none"> • CPCPCM4001A Carry out work-based risk control processes • CPCPCM4002A Estimate and cost work • 	<p>1 jurisdiction requires five units 1 jurisdiction requires two units 1 jurisdiction requires one unit The remainder do not license or license as building work.</p>
Mechanical services	<ul style="list-style-type: none"> • CPCPMS4011A Design, size and lay out heating and cooling systems • CPCPCM4001A Carry out work-based risk control process • CPCPCM4002A Estimate and cost work • 	<p>1 jurisdiction requires six units 1 jurisdiction requires four units Other jurisdictions either do not license under mechanical services or do not license this work at all.</p>

Attachment F – Regulated work – definition of terms

Automated bleeding device means an automatic device used for the purposes of draining, bleeding or removing a fluid or gas.

Batch kiln means a kiln for firing or drying products otherwise than as part of a continuous operation.

Backflow prevention device means a device to prevent the reverse flow of water from a potentially polluted source into a drinking water supply system.

Backflow prevention work means maintaining and commissioning backflow prevention devices.

Commissioning in relation to completed work, means verifying that the relevant installation operates correctly in accordance with relevant Australian standards and job specifications and any relevant manufacturer's recommendations and requirements imposed under a law of a participating jurisdiction by a relevant statutory authority.

Compression union means a connection between pipes that:

- can be fastened and unfastened; and
- complies with a standard prescribed by the national regulations.

Cooling tower means a device for lowering the temperature of:

- reticulated water by bringing the water into contact with fan-forced or fan-induced atmospheric air
- water, a refrigerant or other fluid in a pipe or other container by bringing reticulated water and fan-forced or fan-induced atmospheric air into contact with the pipe or other container.

Cooling tower drift eliminator means a device used to control water loss from a cooling tower through the exhaust air.

Existing pipes, for a hot water heater, means pipes on the heater or on a structure that is, or is intended to be, attached to the heater and that are necessary for the safe and effective operation of the heater.

Expansion control valve means a valve, designed for installation on the cold or hot water side of a water heater, that regulates pressure.

Fire fighting equipment means a fire hydrant, fire hose reel, fire pump, fire sprinkler system or wall drencher system.

Fire protection service means a service consisting of water pipes and firefighting equipment that is installed solely for the purposes of fire fighting.

First stage regulator means the regulator that is nearest the gas supply point.

Gas means a gas intended as a fuel gas and includes:

- natural gas
- simulated natural gas
- liquefied petroleum gas in the vapour phase
- tempered liquefied petroleum gas
- hydrogen
- any similar substance used as a fuel for Type A gas appliances or Type B gas appliances.

Gas Act means any of the following:

- Gas Safety Act 2000 (ACT)
- Gas Supply Act 1996 (NSW)
- Dangerous Goods Act (NT)
- Petroleum and Gas (Production and Safety) Act 2004 (QLD)
- Gas Act 1997 (SA)
- Gas Act 2000 (TAS)
- Gas Safety Act 1997 (VIC)
- Gas Standards Act 1972 (WA).

Gas appliance means an appliance that consumes gas.

Gas supply point means:

- the outlet of a customer's billing meter; or
- the outlet of the cylinder or tank containing the gas; or
- if the previous two dot points do not apply, the isolation valve between the point of delivery and the customer's gas system.

Gas system means a system that consists of fixed gas appliances, gas cylinders, gas tanks, gas fittings, gas flues or gas pipes, in any combination.

Irrigation system means a system of pipes, fittings and equipment used for the delivery of water to irrigate non-agricultural land, from the connection point to the water supply to the last valve or control to any pressurised zone in the system.

Mechanical services system means a mechanical system used for heating, cooling or ventilation in a building.

Mobile engine means a gas-fuelled engine that:

- is mounted in or on portable equipment and is supplied with gas from a cylinder or tank mounted in or on the portable equipment; or

- is mounted in or on a vehicle or craft and is supplied with gas from a cylinder or tank mounted on or in the vehicle or craft and propels the vehicle or craft.

Plumbing entity means an entity that is declared by a law of a participating jurisdiction to be a plumbing entity for the purposes of the national law and owns, controls or operates plumbing infrastructure.

Plumbing infrastructure means infrastructure used to provide water services, sewerage services or stormwater services.

Plumbing work means sanitary plumbing work or water plumbing work.

Refrigeration and air-conditioning equipment means equipment:

- used for heating or cooling a building; and
- that uses a refrigerant.

Relevant installation means:

- In relation to drainage work, the sanitary drainage system; or
- In relation to fire protection work, the fire protection service; or
- In relation to general gas fitting work, the gas system; or
- In relation to mechanical services work, the mechanical services system; or
- In relation to restricted plumber (urban irrigation) work, the irrigation system; or
- In relation to sanitary plumbing work, the sanitary plumbing system; or
- In relation to type B gas appliance work, the type B gas appliance; or
- In relation to thermostatic mixing valve work, the thermostatic mixing valve; or
- In relation to water plumbing work, the water service.

Sanitary drainage system means:

- an underground assembly of soil pipes or waste pipes designed to receive discharge from a sanitary plumbing system and carry it to any of the following:
 - a common sewer or drain;
 - a facility for the on-site treatment of waste water;
 - a facility for the treatment or disposal of grey water; and
- fixtures associated with the soil pipes or waste pipes; and
- if the discharge is carried to an on-site waste water treatment facility, the treatment facility.

Sanitary plumbing system means an above-ground assembly of pipes and sanitary fixtures designed to collect and discharge sewerage or waste water to a sanitary drainage system.

Stationary engine means a gas-fuelled engine installed in a fixed position that is not used to propel a vehicle or craft.

Temperature/pressure relief valve means a valve, designed for installation on the hot water side of a water heater, that regulates pressure or temperature.

Testable backflow prevention device means a backflow prevention device in relation to which requirements for registration or testing are imposed by the relevant local government or local council (however described).

Thermal fluid heater means an appliance that uses an oil or hydrocarbon-based heat transfer in the liquid phase.

Thermostatic mixing valve means a mixing valve in which the temperature of the water from a mixed water outlet is automatically controlled by a thermostatic element or sensor to a preselected temperature that is suitable for direct contact with the skin.

Thermostatic mixing valve work means maintaining and commissioning thermostatic mixing valves.

Type A gas appliance means a gas appliance which is approved, certified or prescribed as a Type A gas appliance under a gas Act for a participating jurisdiction, other than a mobile engine.

Type B gas appliance means a gas appliance that is either:

- a gas appliance of any of the following types having a rated maximum hourly gas input more than 10 MJ/h and less than 5,000 MJ/h:
 - water heater
 - space heater
 - vat or tanker heater
 - dryer or oven not associated with volatile solvents or hazardous atmospheres
 - batch kiln with flame supervision and safeguards
 - cooking appliance
 - furnace
 - stationary engine; or
- a gas appliance of any of the following types having a rated maximum hourly gas input more than 10 MJ/h and less than 10,000 MJ/h:
 - steam boiler
 - thermal fluid heater; and
- does not include:
 - a type A gas appliance; or
 - another gas appliance that, under a gas Act for a participating jurisdiction, is a type A gas appliance; or
 - a mobile engine.

Water service means pipe work or equipment connected, or intended to be connected, to a water supply from the connection point to the point of discharge, other than pipe work or equipment used

for the supply of non-drinking water for agricultural or irrigation purposes unless the water is supplied by a plumbing entity. Water service includes, for a service supplying heated water, a self-contained hermetically sealed heat pump hot water unit.

Water supply means a reticulated water supply, a rainwater supply or other water supply.

Attachment G – Approach to impact analysis

Approach to the impact analysis – calculations and method

This attachment outlines the methods used to estimate the impacts in the cost–benefit analysis and the computable general equilibrium (CGE) analysis.

It includes:

- an explanation of the approach taken to the analysis, including the method and the specific calculations behind the analysis
- a detailed list of all of the inputs and assumptions underlying the analysis.

Calculations used in the cost–benefit analysis

The impact analysis in this RIS has been developed on the basis of available information on the potential costs and benefits of the options assessed. This section provides a detailed explanation of how the estimates in the cost–benefit analysis were calculated. The underlying data that was used in these calculations is provided in section 3 of this chapter.

The licence fees used to estimate the impacts in this analysis are based on licence fees payable as at June 2012 (when the Consultation RIS was being finalised), or where applicable as at the date specified in the 'Licence Fees' section.

The status quo

The status quo provides a base case against which options under assessment can be compared. The status quo option represents what would occur in the absence of any specific action by governments to address identified problems.

For this RIS, the status quo is the continuation of the current system of licensing by state and territory regulators. The current system includes mutual recognition, whereby individuals are licensed at the state and territory level, but are able to seek mutual recognition of their licence if they move to another jurisdiction to work (or work across multiple jurisdictions).

The impact of the status quo position

For this analysis, the impact of the status quo is essentially the costs associated with the continuation of the current arrangements and the weaknesses identified. This linkage between the status quo costs and problem analysis makes intuitive sense as the status quo assumes that no specific action is taken by governments to address problems with current arrangements, and therefore the costs of maintaining the status quo are those associated with the problem.

To summarise, the key costs of the status quo are:

- direct costs to licence holders of holding multiple licences if they wish to work in more than one jurisdiction
- direct costs to licence holders of current regulatory requirements which are not necessary to meet the regulatory objective
- costs associated with complex administrative systems within some jurisdictions and duplicated administrative arrangements for licensing across eight jurisdictions

- broader impacts across the economy where perceived barriers to the movement of skilled workers and to the operation of business would remain, exacerbating skills shortages and lost opportunities for meeting skills needs.

Calculating the present value of yearly impacts

The costs and benefits in this RIS have been calculated on a yearly basis. The impact in each individual year has then been discounted and brought together to calculate an overall present value for each cost and benefit. Despite the fact that impacts are typically incurred on a continuous basis throughout the year, for the purpose of this analysis it is assumed that all impacts are incurred at the end of the relevant financial year (for example, for impacts incurred in 2012–13, it is assumed that they are fully incurred by 30 June 2013 and are therefore discounted back to 1 July 2012).

The impacts have been calculated on a yearly basis because the impact may vary from one year to the next (that is, due to industry growth, or transition versus ongoing impacts).

As the underlying data used in calculating the impacts varies across jurisdictions, the impacts have been calculated at a state and territory level. The national impact is then the sum of each of the jurisdictional impacts. Note that due to rounding, the value generated from the calculations in this chapter may not be exactly equal to the numbers quoted in this report.

Net industry growth factor for employment

In the cost–benefit analysis, it is assumed that the number of licensees within the sector in question will change over time, consistent with overall changes in the size of the sector. Within the estimates, a net industry growth rate has been applied to all relevant calculations. To apply this growth rate on a compound basis, a factor has been used. This factor is simply a series of numbers that correspond to each financial year over time. The first ten years of the factors are shown below.

Table G.1: Industry growth factor

Year	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Factor	1.0000	1.0118	1.0238	1.0359	1.0482	1.0606	1.0731	1.0858	1.0987	1.1116

Incorporating this factor, as an input, allows a calculation to account for industry growth in licensees over time. The calculation for the value of a factor in any one year (other than the base year, which is equal to one) is the value of the factor in the previous year multiplied by $(1 + 0.0118)$, as the net industry growth rate for the plumbing and gasfitting industry is assumed to be 1.18 per cent. See the tables in the next section of this chapter for more details on the assumptions underlying this calculation.

Note that while national licensing would not begin operation until 2013–14, 2011–12 has been used as the base year for the industry growth factor. The licensee numbers assumed for each jurisdiction are based on a range of sources and are not all estimated at the same point in time. Some licensee numbers were provided by jurisdictional regulators as at January – March 2012. Generally, where the number of licensees was not provided, licensee numbers were sourced from a policy development paper which provided data as at June 2009.³⁴ Where data was not available from this paper, data collected for previous work on national licensing in 2009 has been used. While the

³⁴ National Occupational Licensing System, *Plumbing and gasfitting occupations*, Licence Policy Development Paper, Policy Element #1 – Licence Structure and Scope, Attachment B.

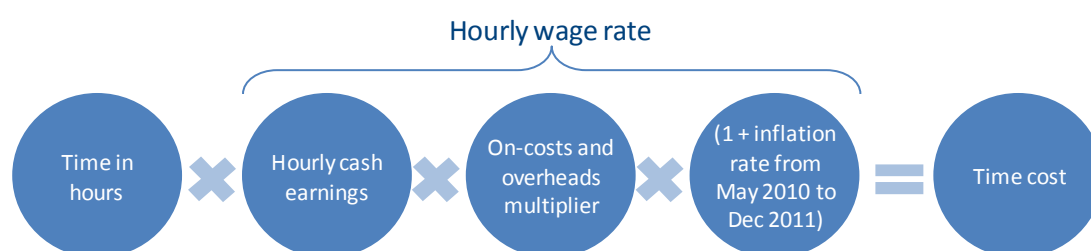
number of licensees was estimated at different points in time across different jurisdictions, to be conservative and have a consistent base point, the year 2011–12 has been used as a consistent base point from which industry growth has been applied.

Note that the same net industry growth rate has been applied to company contractors and individual contractors. This additional level of granularity has not been included in the analysis as it is not expected to impact the results of the cost–benefit analysis.

Time cost as referred to in the calculations in this chapter

The ‘time cost’ is used in many of the calculations outlined in this chapter. This time cost represents the dollar value of someone’s time based on the number of hours spent and the relevant wage rate. The equation used to calculate the time cost is shown in Figure G.1.

Figure G.1: Time cost



Calculating the net present value

The equations outlined below provide the calculation for obtaining the yearly impact. For example, if a 10-year net present value (NPV) is calculated, the yearly impact must first be calculated for each of the ten years of operation assumed (i.e. 2013–14 to 2022–23). The NPV is then calculated as at 1 July 2012. Therefore, it is equal to the sum of the yearly impacts discounted back to 1 July 2012.

Calculating the transition and ongoing costs

In addition to presenting impacts as an NPV over ten years, this RIS reports the non-discounted transition costs and annualised yearly ongoing costs. To calculate the transition costs, the yearly impacts are simply summed together without discounting. To calculate the per annum ongoing impact, the yearly impact has been calculated for the ten years of operation (i.e. years 2013–14 to 2022–23) and the average of those ten years has been taken to gain an annualised ongoing impact per annum.

Estimating transition costs to licence holders from a change to national licensing

The equation used to calculate the yearly transition cost is shown in Figure G.2. The transition cost is assumed to occur in the year before national licensing is implemented (in 2012–13). The impact in all other years is \$0.

Figure G.2: Yearly transition cost



Transition cost for government of communicating the changes to the industry and consumers

This cost is based on estimates calculated by Victoria in relation to the communication costs that were incurred when it made changes to the property industry in the state. This cost has been applied in full to the larger states, and half of this cost has been assumed to be incurred in smaller jurisdictions.

While the Victorian costs contain some elements that depend on the number of licensees (e.g. letters), in the main they appear to be independent of licence numbers. On that basis, it is assumed for this analysis that the larger states would institute a similar spend on marketing, whereas the smaller states would spend less (assumed to be half, on average).

This cost is assumed to be transitional and is only incurred in the year before national licensing is implemented (2012–13). The cost in all other years is assumed to be \$0. The direct cost to government assumed in 2012–13 for each jurisdiction can be found in the tables in section 3 of this chapter. No further calculations have been done to adjust these figures.

Cost to governments of the transition to a licensing register

The cost of transitioning to a national licensing register is a one-off cost assumed to occur before national licensing is implemented. The equation used to calculate the cost in 2012–13 is shown in Figure G.3. The impact in all other years is assumed to be \$0.

Figure G.3: Cost of national licensing register in 2012–13



Example: Cost of implementing the National Licensing Register in Queensland in 2013–14



Cost of establishing and operating the National Occupational Licensing Authority

The cost–benefit analysis assumes that there would be costs to government of establishing and operating NOLA. Given that the budget for NOLA is only projected for the first four years of operation, the cost in the fourth year is assumed to represent the ongoing cost in all subsequent years (year five onwards). The cost in the first three years is higher than the ongoing cost due to the incorporation of additional transition costs in the budget. The transition costs across the first three years are therefore assumed to be the difference between the budgeted value and the ongoing cost each year. The equations used to calculate the yearly transition and ongoing cost are set out below.

In the calculation of these costs, the overall licensing authority budget has been apportioned to the plumbing and gasfitting occupations on the basis of the following assumptions based on advice from the National Licensing Taskforce:

- a percentage of total budget that can be attributed to first-wave occupations (the first four occupations being considered for reform) – this is assumed to be 50 per cent
- a percentage of total budget that can be attributed to plumbing and gasfitting occupations specifically (within this first-wave proportion) – 35 per cent of the 50 per cent.

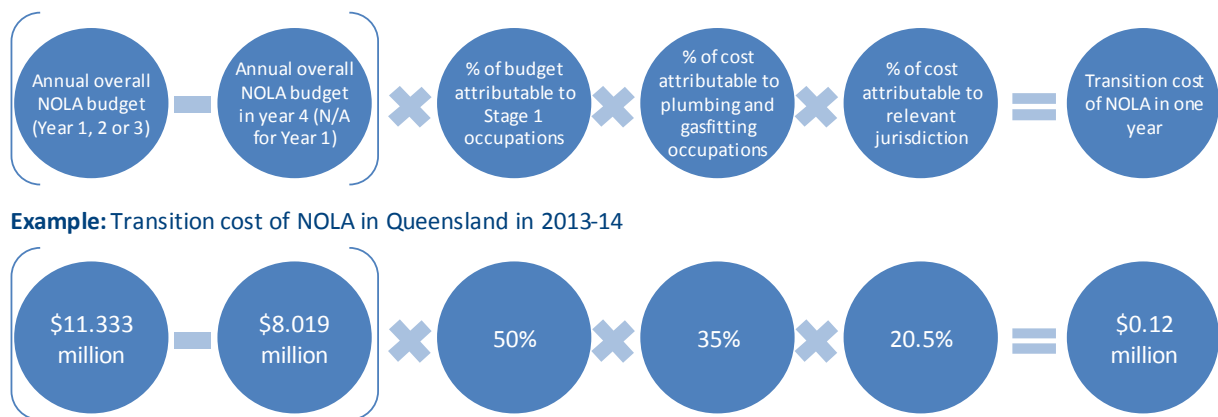
The costs to each jurisdiction are estimated on the basis of agreed budget contributions to NOLA (as agreed by SCFFR)³⁵. These same proportions have been used to attribute the \$5 million in uncommitted funds in the first year of operation (which is included in the first year overall licensing authority budget).

Figure G.4: Transition cost (first three years only)



NOLA = National Occupational Licensing Authority

Figure G.5: Ongoing cost



NOLA = National Occupational Licensing Authority

Benefit to licence holders through reduced costs of holding multiple licences

When a licence is no longer needed, it will impact both new licensees (as they will no longer need to gain a licence) and existing licensees (as they will no longer need to renew their existing licence). The equation used to calculate the yearly avoided cost from no longer needing to hold multiple licences in each jurisdiction is shown in Figure G.6. The impact is calculated separately for contractors, (full) licensees and tradesperson registration holders to account for the fact that different licence periods and fees apply to these licensees.

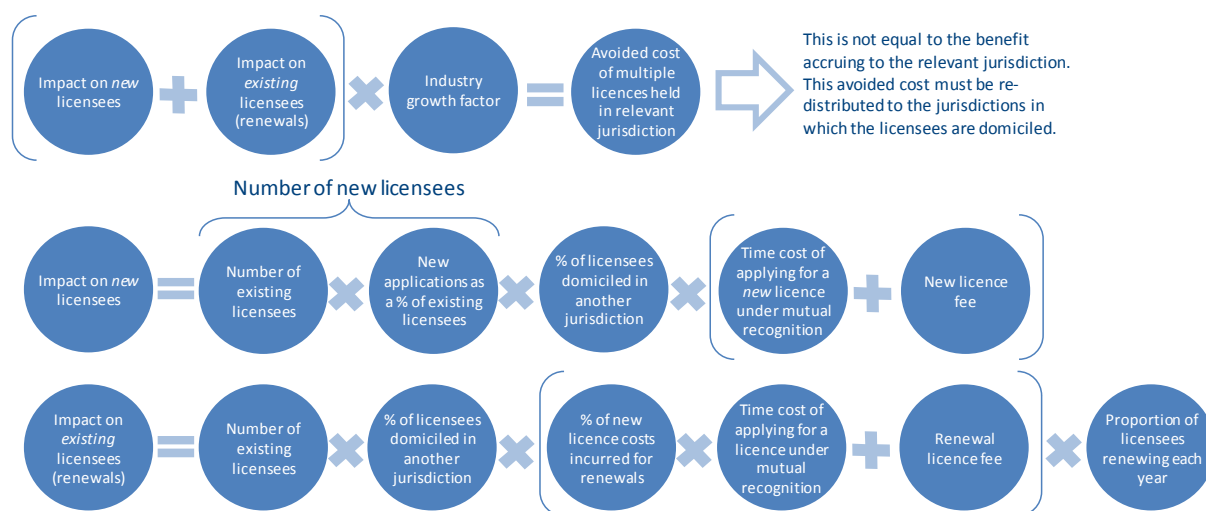
³⁵ NOLA costs are based on estimates agreed by SCFFR in April 2012. Further work is underway on establishing a budget for NOLA in the longer term.

In terms of the time cost to obtain a mutual recognition licence, South Australia has indicated that it would typically take less time for a licensee to obtain such a licence compared to the time that would be taken if the licensee resided in South Australia. On the other hand, case studies provided by – and discussions with – the National Licensing Taskforce suggest that in some cases the time to obtain a licence under mutual recognition can far exceed the time to obtain a licence for those residing in a given jurisdiction. As such, this analysis has assumed that mutual recognition is more arduous in the following ways:

- For those first applying for a licence in another jurisdiction, the time cost would increase by a factor of two compared to the time taken to apply for a licence in their own jurisdiction, reflecting additional search costs and potential delays imposed on licensees or businesses that are hiring the individual in the other jurisdiction.
- For those renewing a licence under mutual recognition, the time cost of applying for a licence is still assumed to be higher, but only a multiplier of 5 per cent is assumed (which is applied to the assumption of the time to apply for a licence).
- The time cost to apply for a licence in this equation is therefore calculated as follows:
- The time cost to apply for a new licence under mutual recognition is two multiplied by the time to apply for a licence in the relevant jurisdiction multiplied by the wage rate in the relevant jurisdiction.
- The time cost to apply for a licence under mutual recognition (as used in the renewal calculation) is the time to apply for a licence in the relevant jurisdiction multiplied by 1.05 multiplied by the wage rate in the relevant jurisdiction.

The proportion of licensees renewing each year is equal to one divided by the licence term, as it is assumed that licence renewals are distributed evenly over time across the industry.

Figure G.6: Yearly benefit to licence holders through reduced costs of holding multiple licences



The avoided cost calculated in Figure G.6 is not attributable to the jurisdiction for which it is calculated. The avoided cost accrues to the jurisdiction in which the licence holders are domiciled, not the jurisdiction in which they hold the additional licence. For example, where a worker who lives in New South Wales currently holds New South Wales and Queensland licences, under national licensing, they would no longer be required to hold a Queensland licence to work in Queensland. The saving from not having to apply for or hold a Queensland licence would be realised by that worker from New South Wales; hence the benefit is determined as a benefit realised in New South Wales.

In estimates for this Decision RIS, the benefit has been distributed according to the percentage distributions shown in Table G.5. As such, the benefit accruing to any one jurisdiction is actually the sum product of the avoided costs for each jurisdiction (calculated as above) and the percentage of multiple licences in each jurisdiction accruing to licensees domiciled in the relevant table.

Continuing compliance activity on reduced revenue

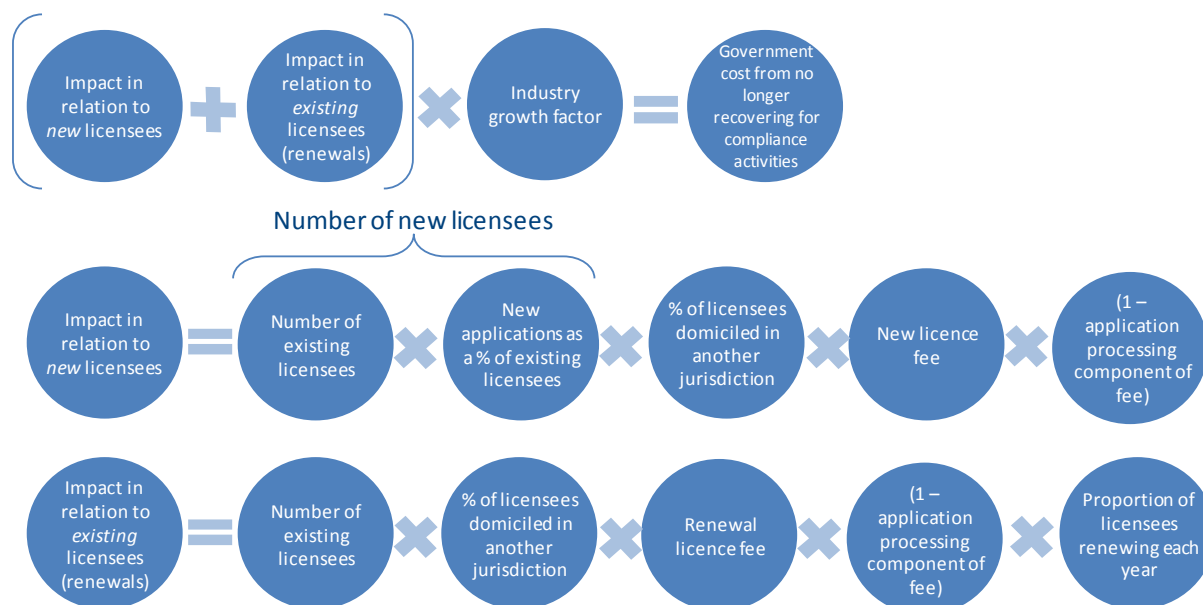
The savings that are enjoyed by licensees in the plumbing and gasfitting industry who no longer have to hold multiple licences have been accounted for by the reduction of fees and effort for applying for those licences.

Advice from jurisdictions is that a proportion of those fees is raised to cover compliance activities that currently occur. To ensure that existing compliance activities are able to continue in light of a single licensing system, resources will need to be available to the regulators for each jurisdiction to continue to oversee plumbers and gasfitters who are licensed elsewhere but work in each relevant jurisdiction.

The following estimate accounts for this based on the efficiency saving that is used elsewhere of 45 per cent (which represents the application processing component of licence fees), leaving a 55 per cent cost associated with compliance and other related activities for those licensees who no longer hold multiple licences. This component will no longer be recovered through fees, but the activities will still need to be funded by government. Note that in New South Wales and South Australia, a dollar estimate of the processing component has been used based on information provided by regulators. For details on these figures, see section 3 of this chapter.

The equation used to calculate the yearly impact on government is shown in Figure G.7. This equation is based on the equation for calculating the benefit to licence holders through reduced costs of holding multiple licences (see Figure G.6). Given that licence periods and fees differ between contractors, (full) licence holders and tradesperson registration holders, the impact is calculated separately for each of these licence categories. The proportion of licensees renewing each year is equal to one divided by the licence term, as it is assumed that licence renewals are distributed evenly over time across the industry.

Figure G.7: Yearly impact on government



Benefit from consistent licence period of five years across all jurisdictions

This impact only applies to the renewal of licences and only the application processing component of the fee would be saved in those jurisdictions with a licence term shorter than five years or paid more often in jurisdictions with a licence term longer than five years. (It should be noted that the five-year term is a maximum period. Although a longer licence term would be a benefit to licensees and to government, licensees may have a range of reasons why they might wish to apply for a lesser period, and a reduced benefit would apply depending on the proportion of licensees who choose to do so.)

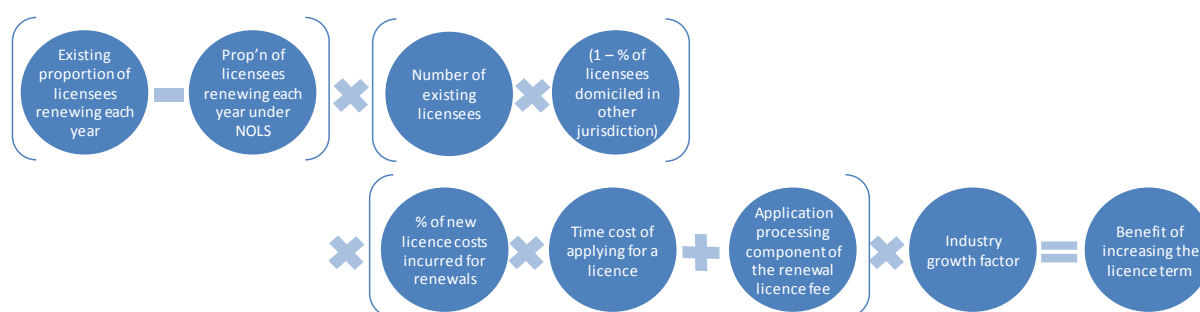
This component is calculated as 45 per cent of the licence renewal fee in the relevant jurisdiction based on a survey of regulators conducted in 2009 relating to plumbing and gasfitting licences (see the tables in the next section of this chapter for more details on the assumptions underlying this calculation).

In New South Wales and South Australia, the dollar processing component of the licence fee provided by regulators has been used instead of 45 per cent. These specific dollar figures have been used to analyse the impacts in these jurisdictions in line with jurisdictional expectations. The estimate provided by South Australia to undertake renewals is \$5. This assumption is in contrast to the cost of processing renewals in New South Wales of \$59 and the estimates of \$96 for workers and \$170 for contractors based on an analysis of the efficient processing component of licence fees across all jurisdictions in 2009.

Some jurisdictions have suggested that the fixed component of the licence fees may increase under a longer licence term. However, due to the uncertainty surrounding this information, this factor has not been accounted for in the analysis.

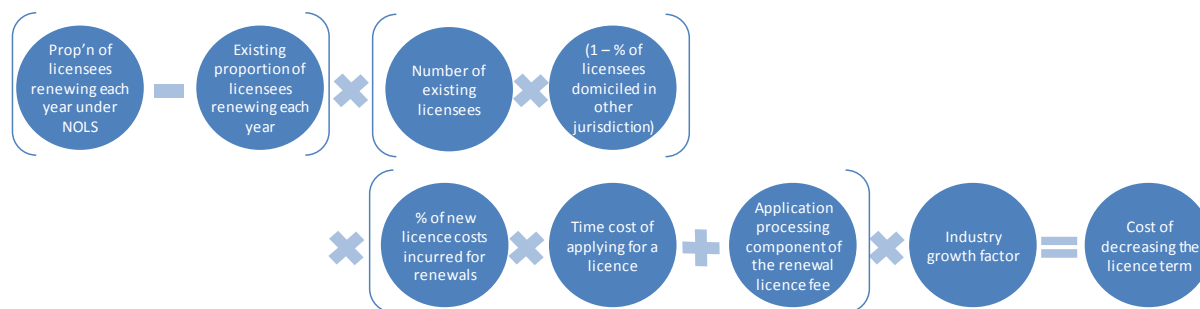
The equation for calculating the yearly benefit or cost from a consistent licence term is shown in Figures G.8 and G.9. Given that licence period and fees differ between contractors, (full) licensees and tradesperson registration holders, the impact is calculated separately for each of those licence types. The proportion of licensees renewing each year is equal to one divided by the licence term, as it is assumed that licence renewals are distributed evenly over time across the industry.

Figure G.8: Benefit to licensees where the licence term increases to five years



NOLS = National Occupational Licensing System

Figure G.9: Cost to licensees where the licence term decreases to five years



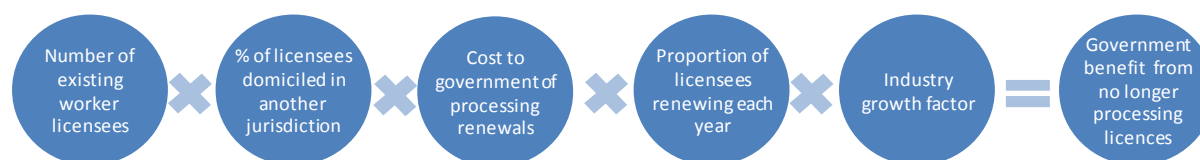
NOLS = National Occupational Licensing System

Saving to government where processing is not recovered through fees

This saving only applies in New South Wales in relation to the renewal of worker (non-contractor) licences, as there is no renewal fee set for these licences. While there is no fee set and therefore no benefit to licensees from no longer paying the renewal fee for worker licences (a (full) licence or a tradesperson registration licence), there is still an efficiency saving for government regulators in New South Wales who will no longer need to process those renewals. As there is no fee set to approximate the cost to government of undertaking those processing activities, the cost to government of processing renewals for worker licences is estimated based on the processing component of the licence fee for contractors (i.e. \$59). For more detail on this assumption, see the table in section 3 of this chapter that relates to renewal licence fees for worker licences.

This saving to government is relevant for one of the impacts quantified as part of this analysis. The equation for calculating the government saving as it relates to this impact is outlined in Figure G.10. The impact is calculated separately for (full) licence holders and tradesperson registration holders. The proportion of licensees renewing each year is equal to one divided by the licence term, as it is assumed that licence renewals are distributed evenly over time across the industry.

Figure G.10: Reduced requirement to hold multiple licences



Changes in the number of Certificate IV units required for a (full) licence

This benefit only accrues to new licence holders because competency requirements must be met upon first obtaining a licence. The number of new licensees is based on the number of new applicants in the industry as a percentage of existing licensees.

The equation for calculating the yearly impact is shown in Figures G.11 and G.12.

Figure G.11: Decrease in the number of Certificate IV units

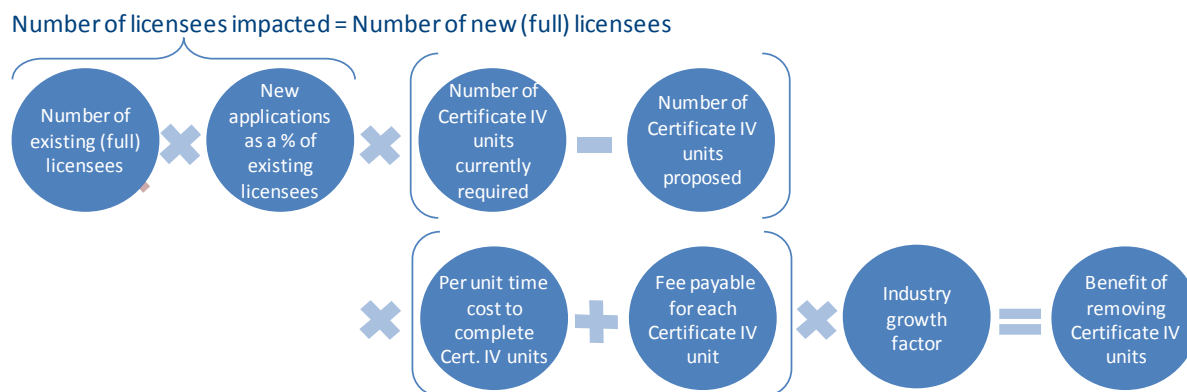
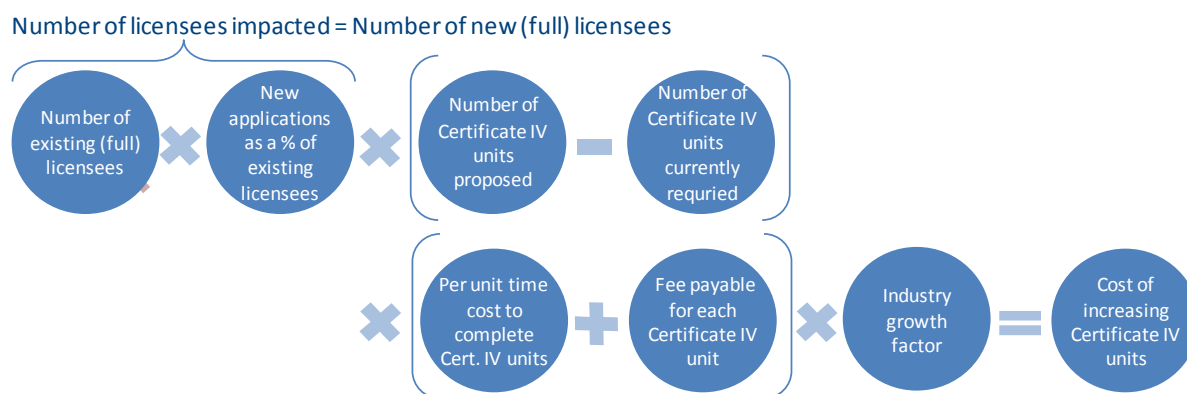


Figure G.12: Increase in the number of Certificate IV units



The calculations above relate the impact estimated for the majority of licensees (80 per cent), who are assumed to hold a licence covering water, sanitary and drainage. For the remaining 20 per cent of the market:

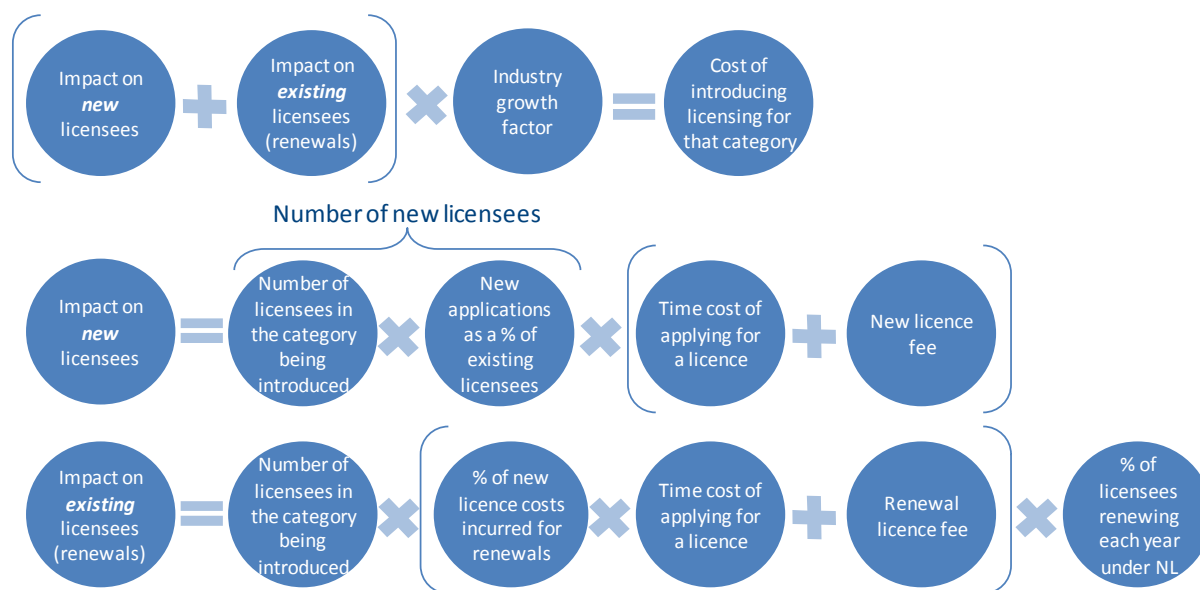
- under the two tier option, the number of units removed is assumed to be at least one, meaning the calculation is the same as above and '(Number of Certificate IV units proposed – Number of Certificate IV units currently required)' is equal to one
- under the three tier options, given the uncertainty around whether licensees would have an increase or a decrease in the number of Certificate IV units required, it is assumed that there would be no change for these licensees.

It is assumed that as completing these competency units is ancillary to employment, the cost of time is the wage rate that can be earned in the industry (i.e. hourly cash earnings).

Introducing the requirement to hold a licence

Under national licensing, certain licensees would need to obtain a licence where they did not before. This applies to the introduction of worker licences in Queensland and the introduction of contractor licences in Victoria and the Northern Territory. The equation used to calculate the cost to licensees from introducing licensing is shown in Figure G.13.

Figure G.13: Cost to licensees from introducing licensing

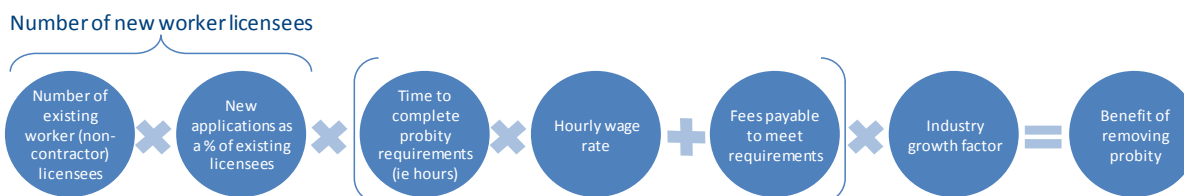


NOLS = National Occupational Licensing System

Savings from removing majority of personal probity requirements from all categories except contractor licences

This impact only applies to new licence holders, as probity requirements are placed on licensees upon first applying for a licence. The equation used to calculate the yearly impact is shown in Figure G.14. Given that probity requirements in some jurisdictions differ between (full) licensees and tradesperson registration holders, the impact is calculated separately for each of these licence types.

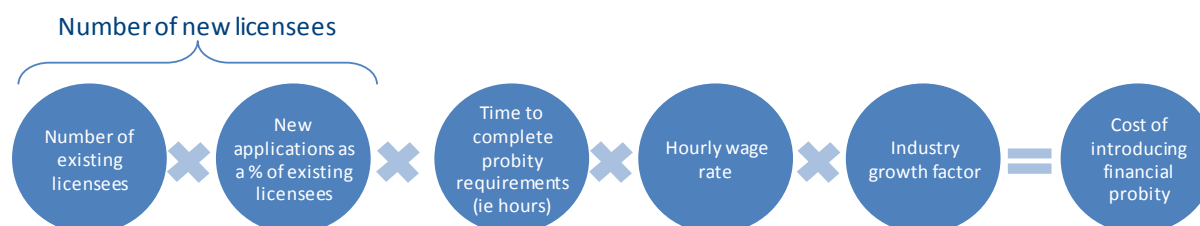
Figure G.14: Savings from removing majority of personal probity from all categories except contractor licences



Cost from introducing financial probity for all licence types

This impact only applies to new licence holders, as probity requirements are placed on licensees upon first applying for a licence. The equation used to calculate the yearly impact is shown in Figure G.15. Given that current probity requirements in some jurisdictions differ between contractors, (full) licensees and tradesperson registration holders, the impact is calculated separately for each of these licence types.

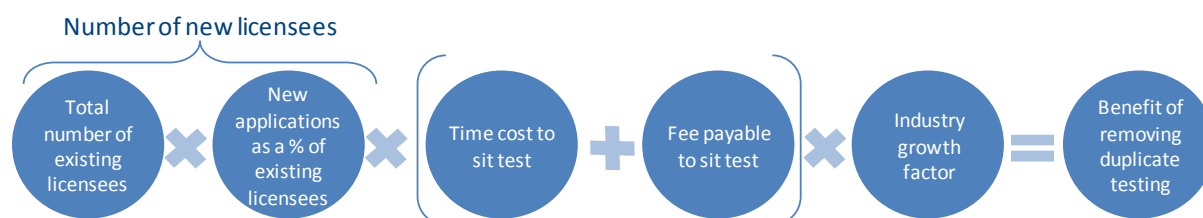
Figure G.15: Cost from introducing financial probity for all licence types



Benefit of removal of state- and territory-based testing (duplicate testing)

This impact only applies to new licence holders, as the additional tests must be sat by licensees when first applying for a licence. The equation used to calculate the yearly impact is shown in Figure G.16. This impact is mainly applicable in Victoria and, to a small extent, the Australian Capital Territory.

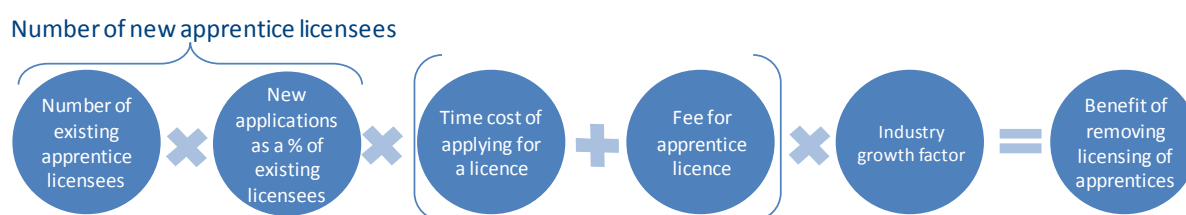
Figure G.16: Benefit of removal of duplicate testing



Benefit from removing requirement for apprentices to apply for a licence

Apprentice licences are generally provided for the life of an apprenticeship. Therefore, this impact is only incurred upon first applying for an apprentice licence (i.e. it is assumed that there are no renewals). The impact of removing this licence includes the time and fees saved from no longer having to apply for the licence (noting that apprentices do not pay fees in South Australia). The equation to calculate the yearly impact is shown in Figure G.17.

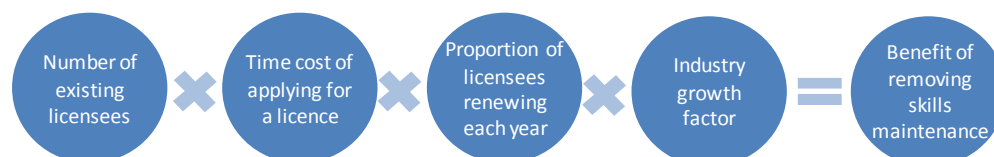
Figure G.17: Benefit from removing requirement for apprentices to apply for a licence



Removing skills maintenance

This impact only applies to existing licence holders and is incurred upon renewal. The equation used to calculate the yearly impact is shown in Figure G.18. This impact is only applicable in New South Wales and the Northern Territory. Given that licence periods differ between contractors, (full) licensees and tradesperson registration holders, the impact is calculated separately for each of these licence types.

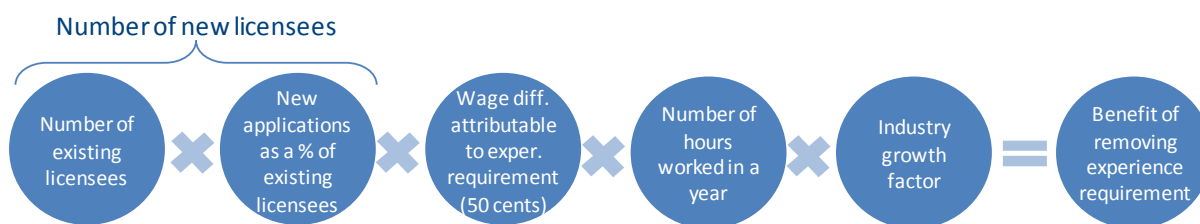
Figure G.18: Removing skills maintenance



Removing experience requirements

This impact applies to contractors and (full) licence holders. The equation used to calculate the yearly impact is shown in Figure G.19.

Figure G.19: Removing experience requirements



Labour mobility

The equation for calculating the estimated impact of labour mobility is shown in Figure G.20

Figure G.20: Labour mobility



Business value-add

The impact on business value-add is calculated as one-third of the efficiency impact on labour. The ongoing net efficiency impact on labour includes the time component (not including fees) of the following impacts:

- changes in Certificate IV units required
- changes to probity requirements
- removal of duplicate testing
- removal of need for apprentices to apply for a licence
- consistent licence periods
- removal of multiple licences across jurisdictions
- removal of experience requirements
- removal of the need to demonstrate that skills have been maintained
- introduction of new licences (i.e. contractor/workers).

The one-off efficiency cost to labour includes the time component (not including fees) of understanding national licensing.

Method underlying the computable general equilibrium modelling

Overview of the modelling

As part of this RIS, computable general equilibrium (CGE) modelling has been undertaken to quantify the potential economy-wide effects of an efficiency change that may result from the options. CGE modelling is useful when a direct impact, at either the specific industry or regional level, is expected to have economy-wide implications or significant flow-on effects.

It should be noted that the CGE modelling was not updated from the Consultation RIS. The differences in the structure of the proposed model and changes to assumptions underlying the model between the Consultation RIS and Decision RIS would impact these results. Accordingly, the CGE modelling results are only indicative of the type and scale of the overall long-term impacts on the economy if national licensing is adopted.

What is a CGE model?

A CGE model is a mathematical model of an economy that is capable of capturing economy-wide impacts and inter-sectoral reallocation of resources that may result from a shock to the economy. CGE models are generally designed for quantitative analysis of:

- resource allocation issues
- changes in technical efficiency
- issues related to government tax or expenditure policy
- external events that can be represented as price or activity shocks.

The core data of a CGE model is an input–output (I–O) table. An I–O table is a system of accounts that shows, in value terms, the supply and disposal of goods and services within the economy in a particular year. An I–O table captures sales of products to other industries for further processing (intermediate usage), together with sales of products to final users. It also captures the inputs used in an industry’s production, whether they be intermediate or primary inputs (such as labour and capital). The table is balanced such that the total of the inputs to each industry is equal to the total of the outputs from each industry. Essentially, an I–O table is a snapshot of an economy (whether it is a region, state or country) in a particular year. More information on I–O tables can be found at Australian Bureau of Statistics catalogue 5216.0.

Figure G.21: Diagrammatic representation of the core of a CGE model

		Intermediate Demand					Intermediate usage (sub-total)	Final Demand				Final Demand (sub-total)	Total Supply (grand total)
		Agriculture	Mining	Manufacturing	Construction	Services		Household Consumption	Government Consumption	Investment	Exports		
Intermediate Inputs	Agriculture	INTERMEDIATE USAGE					FINAL DEMAND						
	Mining												
	Manufacturing												
	Construction												
	Services												
Intermediate Inputs (sub-total)													
Primary Inputs	Labour	PRIMARY INPUTS TO PRODUCTION					PRIMARY INPUTS TO FINAL DEMAND						
	Capital												
	Taxes												
Total Production													

A CGE model pushes forward the base I–O table through time by utilising a set of equations that capture neoclassical microeconomic theory³⁶ to determine the behaviour of economic agents when they are faced with changes in key economic variables (especially relative prices). The equations are solved simultaneously, and some variables are determined by the model (endogenous variables) and some are determined outside the model (exogenous variables). The classification of endogenous and exogenous variables is determined by the user based on the set of assumptions derived for the specific modelling exercise.

The CGE model used for this modelling exercise is the Monash Multi-Region Forecasting Model (MMRF). MMRF is a multi-sector CGE model of the Australian economy that encompasses all states and territories. It was developed by the Centre of Policy Studies at Monash University.

CGE modelling exercises are often undertaken alongside cost–benefit analysis, as a CGE model can provide economy-wide metrics that cannot otherwise be provided by a cost–benefit analysis. CGE modelling provides a deeper analysis that contributes to the strength of the argument for policy makers. It is a common tool used by the Productivity Commission when undertaking inquiries, and it is used by the Australian Treasury when assessing policy decisions such as the Australian Government’s carbon pricing mechanism.

Limitations of the modelling

It is important to recognise key limitations of the modelling when assessing the results. The results are not intended to be definitive forecasts or precise point estimates of key economic indicators resulting from the options. Rather, the results of the modelling should be viewed as a projection of economic variables under a series of plausible assumptions that have informed a scenario analysis.

While the modelling exercise has been informed by the impact analysis results, not all individual costs and benefits have been modelled explicitly in the CGE model. Hence, the results between the impact analysis and the scenario modelled in MMRF (i.e. an increase in efficiency) are not directly comparable.

There are two key limitations to this modelling approach:

- The occupation dimension in the model is inadequate. The model has been run as an efficiency shock to the construction industry, as opposed to targeting the plumbing and gasfitting professions directly. This is largely due to the lack of occupational detail in MMRF. Additionally this modelling exercise does not allow for movement between occupations.
- While the efficiency gain has been scaled down to account for the proportion of plumbing and gasfitting employment in the construction industry, this approach assumes that the penetration of plumbing and gasfitting services into other industries has the same composition as that of the construction industry as a whole.

Additional limitations are discussed below.

³⁶ For example, households maximise utility subject to a budget constraint, while industries minimise costs subject to production functions.

Time dimension

CGE models can be set up as either 'comparative static' or 'recursive dynamic', depending on the treatment of time in the modelling exercise. This modelling exercise has been run as comparative static.

While recursive dynamic modelling can account for how the economy changes over time to move from one equilibrium position to another, comparative static modelling presents a static viewpoint, comparing the economy at a point in time to the economy once the impact of the shock has been absorbed.

Due to the comparative static nature of this modelling, there is no allowance for, for example:

- underlying changes in the economy over time
- how the shock might be disaggregated over a number of time periods and how it might play out through the directly affected industry, interrelated industries and the wider economy over time
- a lagged adjustment process in the labour market.

Ideally, a recursive dynamic approach to the modelling would be employed to more appropriately address the economy-wide impacts of national occupational licensing restrictions as, for example, a lagged adjustment process in the labour market is fundamental to the movement of the impact through the wider economy.

However, the comparative static results provide a high-level illustrative story of how industry and macroeconomic variables may respond to a change in efficiency as a result of the policy change.

A recursive dynamic exercise would be far more advanced but requires significantly more time to undertake.³⁷

The shock to the model

Scenarios modelled for the Regulation Impact Statement

Under national licensing requirements, barriers to entry to the plumbing and gasfitting occupations in each jurisdiction are expected to diminish through, for example, reduction in costs for licensing and an increase in the readiness to work between jurisdictions. This may be translated as:

- an increase in efficiency of labour in plumbing and gasfitting services
- an increase in efficiency of capital in plumbing and gasfitting services; or
- reduction in multiple licences fees plumbers and gasfitters pay to government.

The reforms will also affect the amount of public administration that the state and territory governments consume, as they will have to process fewer licences.

³⁷ For example, in assessing the impact of a policy change, dynamic general equilibrium models produce two alternative projections – the 'base case', that is, the growth path of the economy without the policy change; and the 'policy run', that is, the growth path of the economy in the policy change. The base case serves as the counterfactual or the control path from which deviations are measured when assessing the effects of the policy change. Creating a base case is a substantial undertaking as the modeller is required to develop a view of what the economy may look like over the projection period and impose that on the model.

To model each of these impacts, calculations based on the results of the cost–benefit analysis have been drawn upon.

Each option for the plumbing and gasfitting occupations has been modelled separately. The assumptions as outlined below are the same for each scenario. As stated above, only the ongoing costs and benefits have been modelled.

Calculating an increase in efficiency of labour in plumbing and gasfitting services

To calculate the labour efficiency shock, the net result has been taken from the direct model of time saved for plumbers and gasfitters as a result of the reforms – plus the benefit that has been assumed in the cost–benefit analysis in terms of enhanced labour mobility – and turned into an efficiency shock. To convert the time saved into an efficiency shock it has been assumed that there will be a decrease in labour cost equal to the monetary cost of the time saved, while holding revenue unchanged for the plumbing and gasfitting industry. The cost and revenue data for the analysis has been drawn from the Australian Plumbing Industry IBISWorld reports.³⁸ The CGE model does not explicitly contain a plumbing and gasfitting industry; rather, the plumbing and gasfitting industry is consumed by a variety of industries, the majority being in construction. To translate a labour efficiency gain in the plumbing and gasfitting industry into the construction industry, 2006 industry employment census data was used to estimate the proportion of the construction industry that can be attributed to the plumbing and gasfitting industry. The plumbing and gasfitting efficiency shock was then scaled appropriately to be applied to the construction industry in the CGE model. The CGE modelling then used the calculated efficiency gains to estimate what the broader economic impact would be on the Australian economy.

The modelling assumes that plumbers and gasfitters would use time saved to undertake more work rather than take more leisure time.³⁹

Calculating an increase in capital efficiency

The business value-add result from the cost–benefit analysis has been translated as an increase in capital efficiency in the CGE model using the same methodology as outlined in calculating an increase in efficiency of labour. A discussion of the calculation of the business value-add is contained above in section 1.23.

Calculating a decrease in government fees

The cost saved by plumbers and gasfitters as a result of a reduction in fees paid (licence fees paid to government and fees paid for education and training requirements) has been modelled as a cost saved to plumbers and gasfitters. This has been calculated by decreasing the proportion of fees paid to government.⁴⁰

³⁸ IBISWorld 2012, *Plumbing services in Australia*, Industry Report, April.

³⁹ It is possible that this is not the case – that is, some hours saved could add to leisure time rather than increase productive hours of work. While an increase in leisure time would be expected to increase welfare, this would not be picked up in MMRF since it only considers market impacts.

⁴⁰ The amount paid to government is based on the ABS 2005–06 input–output table. The total fee has been inflated to 2011 dollars as the cost saved under the cost–benefit analysis is in 2011 dollars.

Calculating changes to government expenditure

The change in state and territory government budgets is dependent on the amount the government saves through reduced processing costs and the ongoing cost of NOLA. Some state and territory governments save more on public administration and others increase their expenditure overall. The CGE modelling of this is dependent on each state's and territory's net position.⁴¹

Inputs and assumptions underlying the analysis

Assumptions in the cost–benefit analysis

The following tables provide details on all the key data sources and assumptions made in the impact analysis for this report. In some areas assumptions have been made where data is not readily available. Where these assumptions are made, the method for making the assumption is explained in the text and tables below.

Real discount rate

All future cost and benefit cash flows will be discounted to 2012 dollars using a real discount rate of 7 per cent in line with the requirements of the *Best practice regulation handbook*, which also recommends sensitivity testing using 3 per cent and 10 per cent discount rates.⁴²

Table G.2: Discount rate and sensitivities

Assumption	Unit	Value	Source
Discount rate			
Real discount rate	% per annum	Headline: 7% Sensitivity: 3%, 10%	Australian Government 2010, <i>Best practice regulation handbook</i> , page 66

Evaluation period

The *Best practice regulation handbook* states that 'the total period [of evaluation] needs to be long enough to capture all potential costs and benefits of the proposal' and provides guidance that 'in view of the difficulty of forecasting costs and benefits over long periods, exercise caution when adopting an evaluation period longer than ... 20 years'.⁴³ Accordingly, an evaluation period of ten years has been used, with sensitivity testing using 15 and 20 years.

The operating start date for phase 1 of national licensing is in 2014, as advised by the National Licensing Taskforce.⁴⁴

⁴¹ The amount consumed by each of the state and territory governments of public services is based on the ABS 2005–06 input–output tables and inflated to 2011 dollars.

⁴² Australian Government 2010, *Best practice regulation handbook*, p. 66.

⁴³ *ibid.*

⁴⁴ Phase 1 of national licensing includes the following occupations: electrical, plumbing and gasfitting, property, and air-conditioning and refrigeration mechanics.

Table G.3: Timing of analysis and sensitivities

Assumptions	Unit	Value	Source
Timing			
Operating start date	date	1 July 2013	Unpublished advice provided by COAG National Licensing Taskforce
Evaluation period	years	Headline: ten years Sensitivity: 15, 20 years	Assumption based on advice in the <i>Best practice regulation handbook</i> , page 63

Wage rate

A jurisdiction-specific wage rate has been used in the analysis, based on data available from the Australian Bureau of Statistics relating to employee earnings and hours.⁴⁵

Hourly cash earnings

Data on hourly cash earnings for plumbers and gasfitters has been sourced from the Australian Bureau of Statistics, *Employee earnings and hours* (catalogue 6306.0) using the Australian and New Zealand Standard Classification of Occupations (ANZSCO) codes.

According to the ANZSCO code 334, plumbers install, maintain and repair pipes, drains, guttering and metal roofing, and provide mechanical services and related equipment for water supply, gas, drainage, sewerage, heating, cooling and ventilation systems. ANZSCO suggests that an indicative skill level for this occupation is an Australian Qualifications Framework Certificate III including at least two years of on-the-job training, or an Australian Qualifications Framework Certificate IV.⁴⁶ It is also noted that in some cases at least three years of relevant experience may substitute for the formal qualifications listed above. It is acknowledged that these wage rates overestimate the wage rate for apprentices, as it is expected that this granularity of data will not impact on the robustness of the estimates.

The hourly cash earnings rates below are based on ordinary time worked per person (excluding overtime), based on the specific hours worked in each jurisdiction.⁴⁷

It is assumed that as the activities involved with national licensing are ancillary to employment, the cost of time is the wage rate that can be earned in the industry (i.e. hourly cash earnings).

On-cost and overheads

According to the Australian Bureau of Statistics labour costs survey (2002–03), an on-costs multiplier of 1.172 is appropriate for the ‘electricity, gas and water supply’ industry⁴⁸ that includes:

- employee earnings

⁴⁵ [Australian Bureau of Statistics 2010, *Employee earnings and hours*, catalogue 6306.0, May, viewed 26 April 2012.](#)

⁴⁶ [Australian Bureau of Statistics, *ANZSCO – Australian and New Zealand Standard Classification of Occupations*, 1st edn, revision 1, viewed 26 April 2012.](#)

⁴⁷ [Australian Bureau of Statistics, *Employee earnings and hours*, catalogue 6306.0, May, viewed 26 April 2012.](#)

⁴⁸ The ‘electricity, gas and water supply’ industry is the closest available proxy available for the plumbing and gasfitting occupations.

- superannuation
- payroll tax
- worker’s compensation
- fringe benefits tax.⁴⁹

In the absence of any other information, the *Victorian guide to regulation* suggests that an overheads multiplier of 1.75 is appropriate.⁵⁰ The Victorian Treasury suggests that overhead costs include building costs (floor space, fixtures and fittings maintenance and services), equipment, consumables, IT and other support services, administrative support and corporate overheads (senior management, corporate finance, human resources and legal services).

Due to the characteristics of this industry, including a high proportion of self-employed individuals who have lower overheads and fewer on-costs (i.e. no payroll tax and superannuation benefits), an overheads and on-cost multiplier of 1.5 is applied to the hourly cash earnings of plumbers and gasfitters.

Inflation rate

In order to inflate the hourly cash rates to 2012 dollars, the national consumer price index (CPI) for the period March 2010 to March 2012 has been used based on data from the Australian Bureau of Statistics (catalogue 6401.0).⁵¹ Note that the national CPI figures have been used (the Australian Bureau of Statistics only publishes CPI figures quarterly).

While ideally the wage rates would be inflated to 1 July 2012 (as the net present value is calculated as at 1 July 2012), the most recent data available when writing this report was CPI figures from March 2012.

Table G.4: Wage rate assumptions

Assumption	Unit	Value	Source
Hourly cash earnings			
NSW	\$ per hour	\$28.20	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 ‘Plumbers’, Table 1B Note: Based on ‘ordinary time per person’ (excluding overtime)
VIC	\$ per hour	\$25.90	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 ‘Plumbers’, Table 1C Note: Based on ‘ordinary time per person’ (excluding overtime)
QLD	\$ per hour	\$31.60	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 ‘Plumbers’, Table 1D Note: Based on ‘ordinary time per person’ (excluding overtime)

⁴⁹ [Australian Bureau of Statistics, *Labour costs, Australia, 2002–03*, catalogue 6348.0.55.001, viewed 26 April 2012.](#)

⁵⁰ Department of Treasury and Finance (Victoria) 2011, *Victorian guide to regulation: Appendices*, edition 2.1.

⁵¹ March 2010 is the closest figure available to May 2010.

Assumption	Unit	Value	Source
WA	\$ per hour	\$27.20	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 'Plumbers', Table 1F Note: Based on 'ordinary time per person' (excluding overtime)
SA	\$ per hour	\$29.50	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 'Plumbers', Table 1E Note: Based on 'ordinary time per person' (excluding overtime)
TAS	\$ per hour	\$22.40	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 'Plumbers', Table 1G Note: Based on 'ordinary time per person' (excluding overtime)
ACT	\$ per hour	\$34.50	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 'Plumbers', Table 1I Note: Based on 'ordinary time per person' (excluding overtime)
NT	\$ per hour	\$26.10	Australian Bureau of Statistics, <i>Employee earnings and hours</i>, catalogue 6306.0, May 2010, Australian and New Zealand Standard Classification of Occupation (ANZSCO) Code 334 'Plumbers', Table 1H Note: Based on 'ordinary time per person' (excluding overtime)
On-costs and overheads multiplier			
On-costs and overheads multiplier	Multiplier	1.5	Assumption based on Australian Bureau of Statistics labour cost survey data and guidance material from the Victorian Competition and Efficiency Commission
Inflation rate (March 2010 to March 2012)			
Inflation rate	%	4.97%	Australian Bureau of Statistics, <i>Consumer Price Index, Australia</i>, catalogue 6401.0, March 2012 Note: Inflation index from March 2010 (index number of 171.0) to March 2012 (index number of 179.5)

Industry growth rates (employment)

The net industry growth rate represents the number of people leaving and entering the industry per year.

The proportion of new applicants only takes into the consideration the number of new entrants in the industry. For this rate, in the absence of jurisdiction-specific information, a national figure based on data from the Australian Bureau of Statistics labour mobility survey has been used in the cost-benefit analysis. The 'electricity, gas, water and waste services' industry is the closest available proxy for the plumbing and gasfitting occupations.

Table G.5: Industry growth rates (employment)

Assumptions	Unit	Value	Source
Net industry growth – national			
Plumbing and gasfitting – total	% per annum	1.183%	IBISWorld Industry Report (E4231), <i>Plumbing Services in Australia</i> , April 2012 – annual change in employment, page 34 Average of current and projected rates for 2011–12 to 2016–17. This growth rate is based on industry statistics and does not consider jurisdiction-specific circumstances
Proportion of new applicants in the industry (new applicants as a proportion of existing licensees)			
All jurisdictions	% per annum	4.07%	Australian Bureau of Statistics, <i>Labour mobility</i> , February 2010, catalogue 6209.0, Table 7, page 23 Calculated as the number of employees that entered into a different industry division in the last 12 months, as a proportion of the total number of employees in the ‘electricity, gas, water and waste services’ industry during that time

Licence fees

The licence fees presented below are based on licence fees payable as at June 2012, or where applicable as at the date specified under the existing jurisdiction-based licensing schemes.

Table G.6: Licence fees – contractor licence

Assumption	Unit	Value	Source
Cost of licence fee – contractor (new licence fee)			
NSW	\$ per licensee	\$586	Based on information provided by NSW regulator on 29 February 2012 Weighted average used for individuals (\$521 for 44,287 licensees), partnerships (\$756 for 2,050 licensees) and corporations (\$885 for 8,467 licensees)
VIC	\$ per licensee	–	There is no contractor licence in Victoria
QLD	\$ per licensee	\$603.40	Based on information provided by Queensland on 31 May 2012. Fees are based on BSA contractor licence fees for category SC2 (up to \$300K)
WA	\$ per licensee	\$578.50	Plumbers Licensing Board, Plumbing contractor's licence Application fee (\$52.50) and licence fee (\$526)
SA	\$ per licensee	\$510.40	Consumer and Business Services, Fees for licensing – plumbers Based on application fee (\$173) and a weighted average of the licence fee for natural person (\$308) and body corporate (\$455) Based on information provided by South Australia in May 2012, the weighted average is based on 20% of contractors being a body corporate and 80% being a natural person
TAS	\$ per licensee	\$462	Workplace Standards Tasmania, Current fee schedule Workplace Standards Tasmania has advised that the licence fees for plumbing and gasfitting occupations are currently under review
ACT	\$ per licensee	\$650	ACT Planning and Land Authority, Fees and Charges 2011–2012, viewed 26 April 2012 Application fee (payable upon first applying for a licence) of \$200 and licence fee of \$450.
NT	\$ per licensee	–	There is no contractor licence in the Northern Territory

Table G.7: Licence fees – (full) licence holder

Assumption	Unit	Value	Source
Cost of licence fee – (full) licence holder (new licence fee)			
NSW	\$ per licensee	\$193	Based on information provided by NSW regulator on 29 February 2012 Based on licence fee for qualified supervisor certificate
VIC	\$ per licensee	\$308.25	Plumbing Industry Commission, Licensing and registration Application fee (\$47) and registration fee (\$261.25)
QLD	\$ per licensee	\$165.14	Weighted average of plumbers, gasfitters and fire licensees Plumbers: Plumbing Industry Council, Schedule of application fees established under the Plumbing and Drainage Act 2002 and set in Plumbing and Drainage Regulation 2003 Application fee (\$53) and licence fee (\$110) Gasfitters: Application fee (\$35.20) and five years of the pro rata annual fee (\$23.50). Based on information provided by Queensland on 31 May 2012 Fire: Three-year occupational fire licence (\$238.45). Based on information provided by Queensland on 31 May 2012
WA	\$ per licensee	\$216.10	Plumbers Licensing Board, Tradesperson's licence Application fee (\$21.10) and licence fee (\$195)
SA	\$ per licensee	\$388	Consumer and Business Services, Fees for licensing – plumbers Application fee (\$173) and registration fee (\$215)
TAS	\$ per licensee	\$294	Workplace Standards Tasmania, Current fee schedule Workplace Standards Tasmania has advised that the licence fees for plumbing and gasfitting occupations are currently under review
ACT	\$ per licensee	\$650	ACT Planning and Land Authority, Fees and Charges 2011–2012, viewed 26 April 2012 Application fee (payable upon first applying for a licence) of \$200 and licence fee of \$450.
NT	\$ per licensee	\$70	Plumbers and Drainers Licensing Board, Application forms It is assumed that the published renewal fee is the same as the application fee for a journeyman (worker)

Table G.8: Licence fees – tradesperson registrations

Assumption	Unit	Value	Source
Cost of licence fee – tradesperson registration (new licence fee)			
NSW	\$ per licensee	\$126	Based on information provided by NSW regulator in May 2012
VIC	\$ per licensee	\$341.70	Plumbing Industry Commission, Licensing and registration Application fee (\$47) and registration fee (\$294.70)
QLD	\$ per licensee	\$104	Plumbing Industry Council, Schedule of application fees established under the Plumbing and Drainage Act 2002 and set in Plumbing and Drainage Regulation 2003 Application fee (\$53) and licence fee for provisional licensees (\$51)
WA	\$ per licensee	\$216.10	Plumbers Licensing Board, Tradesperson's licence Application (\$21.10) and licence fee (\$195)
SA	\$ per licensee	\$388	Consumer and Business Services, Fees for licensing – plumbers Application fee (\$173) and registration fee (\$215)
TAS	\$ per licensee	\$294	Workplace Standards Tasmania, Current fee schedule Workplace Standards Tasmania has advised that the licence fees for plumbing and gasfitting occupations are currently under review
ACT	\$ per licensee	\$500	ACT Planning and Land Authority, Fees and Charges 2011–2012, viewed 26 April 2012 Application fee (payable upon first applying for a licence) of \$200 and licence fee of \$300 for journeyman.
NT	\$ per licensee	\$35	Plumbers and Drainers Licensing Board, Application forms It is assumed that the published renewal fee is the same as the application fee for a journeyman (worker)

Table G.9: Renewal licence fees – contractor licence

Assumption	Unit	Value	Source
Cost of renewal licence fee – contractor			
NSW	\$ per licensee	\$526	Based on information provided by NSW regulator on 29 February 2012 Weighted average used for individuals (\$462 for 44,287 licensees), partnerships (\$695 for 2,050 licensees) and corporations (\$822 for 8,467 licensees)
VIC	\$ per licensee	–	There is no contractor licence in Victoria
QLD	\$ per licensee	\$274.75	Based on information provided by Queensland on 31 May 2012. Fees are based on BSA contractor renewal licence fees for category SC2 (up to \$300K)
WA	\$ per licensee	\$526	Plumbers Licensing Board, Plumbing contractor's licence
SA	\$ per licensee	\$381.50	Consumer and Business Services, Fees for licensing – plumbers Average of renewal fee for natural person (\$308) and body corporate (\$455)
TAS	\$ per licensee	\$462	Workplace Standards Tasmania, Current fee schedule Workplace Standards Tasmania has advised that the licence fees for plumbing and gasfitting occupations are currently under review

Assumption	Unit	Value	Source
ACT	\$ per licensee	\$450	ACT Planning and Land Authority, Fees and Charges 2011–2012, viewed 26 April 2012
NT	\$ per licensee	–	There is no contractor licence in the Northern Territory

Table G.10: Renewal licence fees – (full) licence holder

Assumption	Unit	Value	Source
Cost of renewal licence fee – (full) licence holder			
NSW	\$ per licensee	\$0	Based on information provided by NSW regulator on 29 February 2012. Note: NSW regulator has advised that this fee is under review, but as at March 2012 there is no fee associated with the renewal of (full) licences. Despite this, a cost to government of processing renewals of \$59 has been assumed for the purposes of calculating government savings. This cost would cover activities such as sending renewal notices to licensees. This value is based on information provided by the NSW regulator on 29 February 2012
VIC	\$ per licensee	\$261.25	Plumbing Industry Commission, Licensing and registration
QLD	\$ per licensee	\$111	Plumbing Industry Council, Schedule of application fees established under the Plumbing and Drainage Act 2002 and set in Plumbing and Drainage Regulation 2003 Application fee (\$53) and renewal fee (\$58)
WA	\$ per licensee	\$195	Plumbers Licensing Board, Tradesperson’s licence
SA	\$ per licensee	\$215	Consumer and Business Services, Fees for licensing – plumbers For a three-year registration period
TAS	\$ per licensee	\$294	Workplace Standards Tasmania, Current fee schedule Workplace Standards Tasmania has advised that the licence fees for plumbing and gasfitting occupations are currently under review
ACT	\$ per licensee	\$450	ACT Planning and Land Authority, Fees and charges 2011–2012 Average of licence fees for entity (\$450) and individual (\$300)
NT	\$ per licensee	\$70	Plumbers and Drainers Licensing Board, Application forms

Table G.11: Renewal licence fees – tradesperson registration

Assumption	Unit	Value	Source
Cost of renewal licence fee – tradesperson registration			
NSW	\$ per licensee	\$0	Based on information provided by NSW regulator on 29 February 2012. Note: NSW regulator has advised that this fee is under review, but as at March 2012 there is no fee associated with the renewal of (full) licences. Despite this, a cost to government of processing renewals of \$59 has been assumed for the purposes of calculating government savings. This cost would cover activities such as sending renewal notices to licensees. This value is based on information provided by the NSW regulator on 29 February 2012
VIC	\$ per licensee	\$294.70	Plumbing Industry Commission, Licensing and registration
QLD	\$ per licensee	\$104	Plumbing Industry Council, Schedule of application fees established under the Plumbing and Drainage Act 2002 and set in Plumbing and Drainage Regulation 2003 Application fee (\$53) and licence fee for a provisional licensee (\$51). Queensland has advised that the new application fee is the same as the renewal fee
WA	\$ per licensee	\$195	Plumbers Licensing Board, Tradesperson's licence
SA	\$ per licensee	\$215	Consumer and Business Services, Fees for licensing – plumbers For a three-year registration period
TAS	\$ per licensee	\$294	Workplace Standards Tasmania, Current fee schedule Workplace Standards Tasmania has advised that the licence fees for plumbing and gasfitting occupations are currently under review
ACT	\$ per licensee	\$300	ACT Planning and Land Authority, Fees and Charges 2011–2012, viewed 26 April 2012 Fee for a journeyman – \$300
NT	\$ per licensee	\$35	Plumbers and Drainers Licensing Board, Application forms

Processing component of licence fees

Table G.12: Processing application component of licence fees

Assumption	Unit	Value	Source
Processing application component of new licence fees			
Processing fee component (all jurisdictions except NSW)	% of licence fee	44.6%	PricewaterhouseCoopers, National Occupational Licensing System: Estimating financial impacts: final report, August 2009, page 24 Based on estimates of the efficient processing component of licence fees from a survey of regulators undertaken in 2009 (specific to licensing of plumbing occupations). Estimated percentage based on licence processing cost as a proportion of fee revenue.

Assumption	Unit	Value	Source
Processing application component of new licence fees – New South Wales			
NSW: Contractors	\$	\$130.54	Based on information provided by NSW regulator on 29 February 2012 Weighted average used for individuals (\$129 for 44,287 licensees), partnerships (\$137 for 2,050 licensees) and corporations (\$137 for 8,467 licensees)
NSW: Full licence holders	\$	\$75	Based on information provided by NSW regulator on 29 February 2012
NSW: Registered tradesperson	\$	\$59	Based on information provided by NSW regulator on 29 February 2012
Processing application component of renewal licence fees			
Processing fee component (all jurisdictions except NSW and SA)	% of licence fee	44.6%	PricewaterhouseCoopers, National Occupational Licensing System: Estimating financial impacts: final report, August 2009, page 24 Based on estimates of the efficient processing component of licence fees from a survey of regulators undertaken in 2009 (specific to licensing of plumbing occupations). Estimated percentage based on licence processing cost as a proportion of fee revenue.
NSW processing fee	\$	\$59	Based on information provided by NSW regulator on 29 February 2012
SA processing fee	\$	\$5	Based on information provided by South Australia in May 2012

Number of licensees

The latest available data on the number of licensees has been used where available. Where licensee numbers are unavailable, the number of licences has been used as a relevant proxy.

Table G.13: Number of contractors

Assumption	Unit	Value	Source
Total existing licensees – contractor			
NSW	number of licensees	54,804	Unpublished data provided by NSW regulator on 29 February 2012. Note: Includes the number of individual, partnership and company contractor licensees
VIC	number of licensees	--	There is no contractor licence in Victoria.
QLD	number of licensees	12,867	Unpublished data provided by Queensland on 31 May 2012. Sum of plumbers (7,015), gasfitters (3,152) and occupational fire licences (2,700).
WA	number of licensees	2,760	Plumbers Licensing Board, Licensed plumbers numbers
SA	number of licensees	1,728	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators.
TAS	number of licensees	469	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators.
ACT	number of licensees	188	Companies and partnerships. Unpublished data provided by the Australian Capital Territory in June 2012.
NT	number of licensees	–	There is no contractor licence in the Northern Territory.

Table G.14: Number of (full) licence holders

Assumption	Unit	Value	Source
Total existing licensees – (full) licence holder			
NSW	number of licensees	4,081	Unpublished data provided by NSW regulator on 29 February 2012.
VIC	number of licensees	11,962	Unpublished data provided by Vic regulator received 23 February 2012 (licence numbers as at 30 June 2011).
QLD	number of licensees	19,363	Unpublished data provided by Queensland on 31 May 2012. Sum of plumbers (12,562), gasfitters (5,501) and occupational fire licensees (1,300).
WA	number of licensees	22,732	Plumbers Licensing Board, Licensed plumbers numbers
SA	number of licensees	3,360	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators. Based on 2,500 plumbers and 1,700 gasfitters, but discounted to account for those who are contractors. Information provided by South Australia suggests that 20% of licensees also hold a contractor licence. As these licensees would be included in the number of contractor licensees above, 20% have been removed from the total number of (full) licensees, leading to 3,360.
TAS	number of licensees	1600	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators.
ACT	number of licensees	2061	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators. Based on 1363 plumbers and 698 gasfitters
NT	number of licensees	979	Unpublished data provided by the Northern Territory in May 2012. Based on 644 plumbers and 335 gasfitters

Table G.15: Number of tradesperson registrations

Assumption	Unit	Value	Source
Total existing licensees – tradesperson registrations			
NSW	number of licensees	8,661	Unpublished data provided by NSW regulator on 29 February 2012.
VIC	number of licensees	12,003	Unpublished data provided by Vic regulator received 23 February 2012 (licence numbers as at 30 June 2011).
QLD	number of licensees	2,837	Unpublished data provided by Queensland in May 2012. Based on 2,342 plumbers and 495 gasfitters
WA	number of licensees	230	Plumbers Licensing Board, Licensed plumbers numbers
SA	number of licensees	2,030	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators. Based on 1,200 plumbers and 830 gasfitters
TAS	number of licensees	100	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators.
ACT	number of licensees	774	Unpublished data provided by the Australian Capital Territory in June 2012. Sum of all individual journeyman licensees.

Assumption	Unit	Value	Source
NT	number of licensees	272	Unpublished data provided by the Northern Territory in May 2012. Based on 254 plumbers and 18 gasfitters

Table G.16: Total existing licensees (contractors, (full) licence holders and tradesperson registrations)

Assumption	Unit	Value	Source
Total existing licensees			
NSW	number of licensees	67,546	Unpublished data provided by NSW regulator on 29 February 2012.
VIC	number of licensees	23,965	Unpublished data provided by Vic regulator received 23 February 2012 (licence numbers as at 30 June 2011).
QLD	number of licensees	35,067	Based on unpublished data provided by Queensland on 31 May 2012.
WA	number of licensees	25,722	Plumbers Licensing Board, Licensed plumbers numbers
SA	number of licensees	7,118	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators. Also based on unpublished advice from South Australia.
TAS	number of licensees	2,169	Unpublished data provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators.
ACT	number of licensees	3,023	Unpublished data provided by the Australian Capital Territory in June 2012.
NT	number of licensees	1,251	Unpublished data provided by the Northern Territory in May 2012.

Frequency of renewal of licence

Table G.17: Current frequency of renewal – contractor

Assumption	Unit	Value	Source
Current frequency of renewal (i.e. 'licence term')			
NSW	years	3	NSW Fair Trading, Business Licence Information Service It is assumed for the analysis that licensees apply for a three year licence. However, licensees also have the option in New South Wales of applying for a one year licence.
VIC	years	–	There is no contractor licence in Victoria.
QLD	years	1	Information provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators.
WA	years	3	WA Plumbers Licensing Board
SA	years	1	Based on advice from SA regulator received January 2012.
TAS	years	1 or 3	Tasmanian Department of Justice, Business Licence Information Service
ACT	years	3	Based on advice from ACT regulator. It is assumed for the analysis that licensees apply for a three year licence. However, licensees also have the option in the Australian Capital Territory of applying for a one year licence and approximately a third of licensees may do this.
NT	years	–	There is no contractor licence in the Northern Territory.

Table G.18: Current frequency of renewal – (full) licence holder

Assumption	Unit	Value	Source
Current frequency of renewal (i.e. 'licence term')			
NSW	years	3	Based on information provided by New South Wales in May 2012.
VIC	years	1	Unpublished data provided by Vic regulator received 23 February 2012.
QLD	years	5 for plumbing and gasfitting 3 for occupational fire	Information provided by Queensland in May 2012. A weighted average has been applied between plumbing and gasfitting, and occupational fire. The weighted average used in the analysis is 4.87 years.
WA	years	3	WA Plumbers Licensing Board
SA	years	3	Based on advice from SA regulator received January 2012.
TAS	years	1 or 3	Tasmanian Department of Justice, Business Licence Information Service
ACT	years	3	ACT Planning and Land Authority It is assumed for the analysis that licensees apply for a three year licence. However, licensees also have the option in the Australian Capital Territory of applying for a one year licence.
NT	years	3 for plumbers 5 for gasfitters	Information provided by the Northern Territory in May 2012. Weighted average of plumbers and gasfitters has been used in the analysis. The weighted average is 3.68 years.

Table G.19: Current frequency of renewal – tradesperson registration

Assumption	Unit	Value	Source
Current frequency of renewal (i.e. 'licence period')			
NSW	years	3	NSW Fair Trading, Business Licence Information Service
VIC	years	3	Unpublished data provided by Vic regulator received 23 February 2012.
QLD	years	1	Information provided by the COAG National Licensing Taskforce, received May 2011 based on advice from regulators.
WA	years	3	WA Plumbers Licensing Board
SA	years	3	Based on advice from SA regulator received January 2012.
TAS	years	1 or 3	Tasmanian Department of Justice, Business Licence Information Service
ACT	years	3	ACT Planning and Land Authority It is assumed for the analysis that licensees apply for a three year licence. However, licensees also have the option in the Australian Capital Territory of applying for a one year licence.
NT	years	3 for plumbers 5 for gasfitters	Information provided by the Northern Territory in May 2012. Weighted average of plumbers and gasfitters has been used in the analysis. The weighted average is 3.13 years.

Time cost of applying for a licence

Note that this time cost only applies to licences applied for in a licensee's home jurisdiction. Applying for a licence under mutual recognition is assumed to take longer due to additional search costs. The assumptions under mutual recognition are outlined below in section 3.1.14.

Table G.20: Time cost of applying for a plumbing and gasfitting licence (contractor, (full) licence holder and tradesperson registration)

Assumptions	Unit	Value	Source
Time cost of applying for a licence – all licences except those under mutual recognition			
NSW	Hours per licence	0.58 hours (35 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125 Includes cost of obtaining information and forms, completing forms, lodging forms, paying fees and attending interviews (if applicable)
VIC	Hours per licence	3.83 hours (230 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125 Includes cost of obtaining information and forms, completing forms, lodging forms, paying fees and attending interviews (if applicable)
QLD	Hours per licence	0.37 hours (22 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125 Includes cost of obtaining information and forms, completing forms, lodging forms, paying fees and attending interviews (if applicable)
WA	Hours per licence	1.55 hours (93 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125 Includes cost of obtaining information and forms, completing forms, lodging forms, paying fees and attending interviews (if applicable)
SA	Hours per licence	3.35 hours (201 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125 Includes cost of obtaining information and forms, completing forms and paying fees. Attending interviews is not applicable
TAS	Hours per licence	1.67 hours (100 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125. Includes cost of obtaining information and forms, completing forms, lodging forms, paying fees and attending interviews (if applicable)
ACT	Hours per licence	0.92 hours (55 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125 Includes cost of obtaining information and forms, completing forms, lodging forms, paying fees and attending interviews (if applicable)
NT	Hours per licence	1.5 hours (90 minutes)	Productivity Commission, Performance benchmarking of Australian business regulation: cost of business registrations, cost of registering a domestic builder, pages 121, 124 and 125 Includes cost of obtaining information and forms, completing forms, lodging forms, paying fees and attending interviews (if applicable)

Time cost of renewing a licence

It is assumed that renewing a licence is less onerous than applying for a new licence. A proxy based on the estimated effort to government (as illustrated by the renewal/new fee differential) has been used for illustrative purposes. The figures below are used to reduce the time component associated with applying for a licence. For example, in New South Wales it is assumed that it takes 31.5 minutes (90 per cent of 35 minutes) to renew a licence.

These percentages also apply under mutual recognition; however, further assumptions apply under mutual recognition that are outlined below in section 3.1.14.

Table G.21: Percentage of new licence costs incurred on renewal – contractor

Assumption	Unit	Value	Source
Fee differential between renewal and new licences			
NSW	%	90%	Based on contractor licence fee differential between new and renewal licences
VIC	%	–	There is no contractor licence in Victoria.
QLD	%	46%	Based on contractor licence fee differential between new and renewal licences
WA	%	91%	Based on contractor licence fee differential between new and renewal licences
SA	%	75%	Based on contractor licence fee differential between new and renewal licences
TAS	%	74%	New and renewal fees are the same, which would lead to 100%. As this is a proxy for time, an average of all other jurisdictions where the percentage is not 100% has been applied for illustrative purposes.
ACT	%	69%	Based on contractor licence fee differential between new and renewal licences
NT	%	–	There is no contractor licence in the Northern Territory.

Table G.22: Percentage of new licence costs incurred on renewal – (full) licence holder

Assumption	Unit	Value	Source
Fee differential between renewal and new licences			
NSW	%	90%	As the (full) licence renewal fee is \$0, the contractor licence renewal/new differential has been applied for illustrative purposes.
VIC	%	85%	Based on (full) licence holder fee differential between new and renewal licences
QLD	%	67%	Based on (full) licence holder fee differential between new and renewal licences
WA	%	90%	Based on (full) licence holder fee differential between new and renewal licences
SA	%	55%	Based on (full) licence holder fee differential between new and renewal licences
TAS	%	76%	New and renewal fees are the same, which would lead to 100%. As this is a proxy for applying to time, an average of all other jurisdictions where the percentage is not 100% has been applied for illustrative purposes.
ACT	%	69%	Based on (full) licence holder fee differential between new and renewal licences
NT	%	78%	New and renewal fees are the same, which would lead to 100%. As this is a proxy for time, an average of all other jurisdictions where the percentage is not 100% has been applied for illustrative purposes.

Table G.23: Percentage of new licence costs incurred on renewal – tradesperson registration

Assumption	Unit	Value	Source
Fee differential between renewal and new licences			
NSW	%	90%	As the tradesperson registration renewal licence fee is \$0, the contractor licence renewal/new differential has been applied for illustrative purposes.
VIC	%	86%	Based on tradesperson registration licence fee differential between new and renewal licences
QLD	%	100%	Based on tradesperson registration licence fee differential between new and renewal licences

Assumption	Unit	Value	Source
WA	%	90%	Based on tradesperson registration licence fee differential between new and renewal licences
SA	%	55%	Based on tradesperson registration licence fee differential between new and renewal licences
TAS	%	80%	New and renewal fees are the same, which would lead to 100%. As this is a proxy for time, an average of all other jurisdictions where the percentage is not 100% has been applied for illustrative purposes.
ACT	%	60%	Based on tradesperson registration licence fee differential between new and renewal licences
NT	%	84%	New and renewal fees are the same, which would lead to 100%. As this is a proxy for time, an average of all other jurisdictions where the percentage is not 100% has been applied for illustrative purposes.

Transition costs for industry

Under national licensing, transition costs would be imposed on industry. Specifically, licensees would need to understand the changes and how they are affected. Time costs would be incurred by reading material, attending an information seminar or through some other means. It is assumed that this cost is incurred before the implementation of national licensing, in 2012–13.

In the Consultation RIS, it was assumed that each licensee would require 45 minutes to understand the changes, however consultation feedback indicated that more time would be needed to understand the changes and a 90 minute time frame has now been included for this purpose.

Table G.24: Industry transition cost

Assumption	Unit	Value	Source
Industry transition costs (time to understand national licensing)			
Time	Hours per licensee	1.5 hours	Assumption of 90 minutes

Government communication costs

It is assumed that regulators will incur communication costs associated with the new national licensing framework. Consumer Affairs Victoria recently undertook a communication exercise with state-based changes to real estate regulations. This communication exercise cost between \$300,000 and \$350,000 based on 22,000 licences and included:

- direct communications (up to two letters)
- metropolitan and regional meetings with licensees (six to ten meetings)
- website content and social media
- temporary call centre staffing
- public information campaign
- industry and public campaign management.

In the absence of other information, it is assumed that similar communication costs will be faced by the larger jurisdictions (New South Wales, Victoria, Queensland and Western Australia) and half of this cost will be incurred by the smaller jurisdictions (South Australia, Tasmania, the Australian Capital Territory and the Northern Territory).

Table G.25: One-off communication costs

Assumptions	Unit	Value	Source
One-off communication costs			
NSW	\$ per jurisdiction	\$325,000	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012
VIC	\$ per jurisdiction	\$325,000	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012
QLD	\$ per jurisdiction	\$325,000	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012
WA	\$ per jurisdiction	\$325,000	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012
SA	\$ per jurisdiction	\$162,500	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012
TAS	\$ per jurisdiction	\$162,500	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012
ACT	\$ per jurisdiction	\$162,500	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012
NT	\$ per jurisdiction	\$162,500	Assumption based on unpublished advice provided by Consumer Affairs Victoria, March 2012

National licensing register costs

It is estimated that each jurisdiction will incur implementation costs associated with the establishment of the national licensing register.

The estimated costs associated with the modification, upgrade or purchase of jurisdictional administration systems incurred by each jurisdiction in order for it to provide the required data for the national licensing register as well as to accept the national licence number was initially estimated at \$5 million to \$10 million.

Based on advice received from the National Licensing Taskforce, these estimates were reduced to ensure they only captured the jurisdiction-based implementation costs associated with establishing the national licensing register.

To ensure that the costs were not overestimated, they were reduced by 50 per cent (that is, \$2.5 million to \$5 million), with the lower bound estimate assumed for small jurisdictions. These costs have been apportioned to each occupation under national licensing. For example, the plumbing and gasfitting occupations are apportioned 35 per cent of the costs faced in Victoria (35 per cent of \$5 million = \$1.75 million).

New South Wales has suggested that its estimated costs will be \$2 million due to the new system being based on the New South Wales Government Licensing System.

Table G.26: Implementation cost of the national licensing register

Assumption	Unit	Value	Source
Implementation cost of the national licensing register			
NSW	\$ per jurisdiction	\$2 million	Assumption based on unpublished data provided by National Licensing Taskforce analysis for the estimated costs to implement the national licensing register – July 2011 New South Wales estimate provided by NSW regulator in February 2012
VIC	\$ per jurisdiction	\$5 million	
QLD	\$ per jurisdiction	\$5 million	
WA	\$ per jurisdiction	\$5 million	
SA	\$ per jurisdiction	\$3.5 million	
TAS	\$ per jurisdiction	\$3.5 million	
ACT	\$ per jurisdiction	\$2.5 million	
NT	\$ per jurisdiction	\$2.5 million	
Assumed split of government costs by stages of national licensing			
Stage 1	%	50%	Assumption following discussions with National Licensing Taskforce. Stage 1 includes first tranche of occupations – electrical, plumbing and gasfitting, property and refrigeration and air-conditioning mechanics.
Stage 2	%	30%	Assumption following discussions with National Licensing Taskforce. Stage 2 includes second tranche of occupations – building occupations.
Stage 3	%	20%	Assumption following discussions with National Licensing Taskforce. Stage 3 includes future reforms and could include changes to conduct requirements.
Assumed split by occupation			
Electrical	%	35%	Assumption based on advice from National Licensing Taskforce
Plumbing and gasfitting	%	35%	
Property	%	28%	
Refrigeration and air-conditioning mechanics	%	2%	

Government operating costs associated with the licensing authority

The National Occupational Licensing Authority Budget 2012–15, as agreed by the Ministerial Council for Federal Financial Relations on 7 April 2011, reflects the costs to government of establishing NOLA. These costs were allocated to each jurisdiction based on agreed percentages.

The costs to government of establishing NOLA will be apportioned to each occupation under national licensing (including the first and second tranches of occupations and conduct requirement changes). It is assumed that the first tranche of occupations (electrical, plumbing and gasfitting, property and refrigeration and air-conditioning mechanics) will be apportioned 50 per cent of these costs, 30 per cent will be apportioned to building occupations and 20 per cent will be apportioned to future reforms such as conduct requirement changes.

There will be three years of transitional costs based on the National Occupational Licensing Authority Budget 2012–15 and then ongoing costs associated with NOLA⁵². It is assumed that the fourth year costs in the budget are representative of the ongoing costs per annum.

Assumptions relating to the expected costs of NOLA, as agreed by the Ministerial Council for Federal Financial Relations include:

- 34 full-time (equivalent) staff (2 APS3, 1 APS5, 14 APS6, 11 EL1, 5 EL2, 1 SES2)
- employee benefits including superannuation of 15.4 per cent and long service leave of 2.6 per cent
- an on-cost multiplier of 1.73
- a one-off establishment cost (incurred in the first year of implementation only) of \$3.05 million
- implementation and ongoing costs associated with the national licensing register
- meeting costs.

⁵² NOLA costs are based on estimates agreed by SCFFR in April 2012. Further work is underway on establishing a budget for NOLA in the longer term.

Table G.27: Government operating costs associated with the licensing authority

Assumption	Unit	Value	Source
Total costs to government (annual overall licensing authority budget)			
Total cost 2011–12	\$ per annum	\$6,633,724	The cost in 2011–12 is assumed to be a transition cost Revised draft National Occupational Licensing Authority Budget 2011–12 and 2012–13 as at 3 May 2012 Unpublished, provided by COAG National Licensing Taskforce, 8 May 2012
Total cost 2012–13	\$ per annum	\$10,752,523	This includes transition costs of \$2,733,542 and ongoing costs of \$8,018,981 Based on estimates in the revised draft National Occupational Licensing Authority Budget 2011–12 and 2012–13 as at 3 May 2012 (unpublished, provided by COAG National Licensing Taskforce, 8 May 2012) and the Budget 2012–15 as agreed by the Ministerial Council for Federal Financial Relations on 7 April 2011 (unpublished, provided by COAG National Licensing Taskforce, 13 March 2012) This figure is calculated as the estimated budget for 2013–14 in the Budget 2012–15 (\$8,412,485), with the addition of the establishment cost estimated in the revised draft Budget 2011–12 and 2012–13 (\$2,340,038)
Total cost 2013–14	\$ per annum	\$8,031,010	This includes transition costs of \$12,029 and ongoing costs of \$8,018,981 National Occupational Licensing Authority Budget 2012–15 as agreed by the Ministerial Council for Federal Financial Relations on 7 April 2011 Unpublished, provided by COAG National Licensing Taskforce, 13 March 2012. Based on the budget for 2013–14
Ongoing costs per annum (based on total costs in 2014–15)	\$ per annum	\$8,018,981	National Occupational Licensing Authority Budget 2012–15 as agreed by the Ministerial Council for Federal Financial Relations on 7 April 2011 Unpublished, provided by COAG National Licensing Taskforce, 13 March 2012
Assumed split of government costs by stages of national licensing			
Stage 1	%	50%	Assumption based on discussions with National Licensing Taskforce Stage 1 includes first tranche of occupations – electrical, plumbing and gasfitting, property and refrigeration and air-conditioning mechanics
Stage 2	%	30%	Assumption based on discussions with National Licensing Taskforce Stage 2 includes second tranche of occupations – building occupations
Stage 3	%	20%	Assumption based on discussions with National Licensing Taskforce Stage 3 includes future reforms that could include changes to conduct requirements
Assumed split by occupation (for licensing authority costs to government)			
Electrical	%	35%	Assumption based on advice from National Licensing Taskforce
Plumbing and Gasfitting	%	35%	
Property	%	28%	
Refrigeration and air-conditioning mechanics	%	2%	

Note: The calculations in the analysis strip out the indexation assumptions beyond 2012 as results are presented in 2012 dollars (real).

Table G.28: Proportion of costs attributable to each jurisdiction

Assumption	Unit	Value	Source
Proportion of National Occupational Licensing Authority operating costs and the IT systems implementation costs attributable to each jurisdiction			
NSW	%	32.77%	Unpublished data provided by National Occupational Licensing Authority Budget 2011–12 to 2014–15
VIC	%	25.13%	
QLD	%	20.48%	
WA	%	10.55%	
SA	%	7.71%	
TAS	%	2.35%	
ACT	%	0%	
NT	%	1.03%	

Mutual recognition

Case studies provided by – and discussions with – the National Licensing Taskforce suggest that in some cases the time to obtain a licence under mutual recognition may far exceed the time to obtain a licence for those residing in a given jurisdiction. This reflects additional search costs and potential delays associated with gaining mutual recognition. This analysis assumes that obtaining a licence under mutual recognition takes twice the time taken to obtain a licence for those residing in a jurisdiction.

Table G.29: Time cost associated with obtaining mutual recognition licence (multiplication factor)

Assumptions	Unit	Value	Source
Time cost to apply for a new licence under mutual recognition			
Plumbing and gasfitting	Multiplication factor	2	Assumption based on information provided by the National Licensing Taskforce and from jurisdictional regulators

Case studies provided by – and discussions with – the National Licensing Taskforce suggest that licence applications are more onerous under mutual recognition, including for renewals. As such, this analysis has assumed that renewing a mutual recognition licence takes 5 per cent more time than the time taken to renew a licence for those residing in a jurisdiction (over and above the time to apply for a licence – see above).

Table G.30: Additional time cost upon renewal due to mutual recognition

Assumptions	Unit	Value	Source
Additional time cost due to mutual recognition (renewal only)			
Plumbing and gasfitting	% per licence	5%	Assumption based on information provided by the National Licensing Taskforce and from jurisdictional regulators

Removal of requirement to hold multiple licences across jurisdictions

Table G.31: Percentage of licensees domiciled in another jurisdiction

Assumptions	Unit	Value	Source
Percentage of licensees domiciled in another jurisdiction			
NSW	%	3.87%	Unpublished data provided by the National Licensing Taskforce. Data provided was consolidated across all occupations.
VIC	%	1.78%	Unpublished data provided by the National Licensing Taskforce.
QLD	%	4.45%	Unpublished data provided by the National Licensing Taskforce. Data provided was consolidated across all occupations.
WA	%	11.57%	Unpublished data provided by Western Australia on 15 May 2012.
SA	%	6.21%	Unpublished data provided by the National Licensing Taskforce. Data provided was consolidated across all occupations.
TAS	%	11.84%	Unpublished data provided by the National Licensing Taskforce. Data provided was consolidated across all occupations.
ACT	%	33.14%	Unpublished data provided by the National Licensing Taskforce. Data provided was consolidated across all occupations.
NT	%	9.69%	Unpublished data provided by the National Licensing Taskforce. Data provided was consolidated across all occupations.

Given that the exact distribution of multiple licence holders across jurisdictions is unknown, migration flows from 2010–11 have been used as a proxy. The percentages have been calculated based on migration numbers provided in Australian Bureau of Statistics, *Australian demographic statistics*, June quarter 2011, 'Table 19 – Interstate migration 2010–11', catalogue 3101.0.

Table G.32: Estimated distribution of licence holders that hold a licence, domiciled in another jurisdiction (based on ABS migration data as a proxy)

		Jurisdiction in which licence holders are domiciled								
		NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Jurisdiction in which the multiple licences are held	NSW		24%	42%	6%	9%	3%	12%	3%	100%
	Vic	36%		28%	10%	13%	5%	4%	4%	100%
	Qld	48%	22%		7%	10%	4%	4%	6%	100%
	WA	23%	26%	22%		11%	3%	3%	13%	100%
	SA	26%	24%	26%	9%		5%	2%	8%	100%
	Tas	20%	25%	29%	7%	13%		3%	4%	100%
	ACT	57%	13%	16%	4%	4%	2%		3%	100%
	NT	21%	19%	29%	13%	13%	2%	3%		100%

Experience requirements

Under national licensing, experience requirements for contractors and (full) licence holders would be removed and licensed plumbers and gasfitters could obtain a contractor or (full) licence sooner if they wished to do so. The direct benefit to licence holders of removing experience requirements could be measured by the wage difference between tradesperson registration holders and (full) licence holders, and (full) licence holders and contractors. The wage differential cannot be fully attributed to the experience requirement, as a variety of factors could affect wage levels. For the purposes of this analysis, it is assumed that a wage differential of 50 cents per hour can be attributable to the experience requirement.

The actual experience requirements in each jurisdiction range from one to six years. To provide an indicate estimate of the potential benefit, a conservative estimate of one year has been assumed for all jurisdictions.

Note that Victoria, the Australian Capital Territory and the Northern Territory do not have a separate contractor licence, and Western Australia does not currently have an experience requirement for contractors.

Table G.33: Removal of experience requirement

Assumption	Unit	Value	Source
Assumed wage differential between contractors and (full) licence holders attributable to experience requirement			
NSW	\$ per licensee	\$0.50 per hour	Assumption used in this report for indicative purposes
QLD	\$ per licensee	\$0.50 per hour	Assumption used in this report for indicative purposes
TAS	\$ per licensee	\$0.50 per hour	Assumption used in this report for indicative purposes
Assumed wage differential between (full) licence holders and tradesperson registrations attributable to experience requirement			

Assumption	Unit	Value	Source
All jurisdictions except South Australia	\$ per licensee	\$0.50 per hour	Assumption used in this report for indicative purposes South Australia has advised it does not impose any personal probity for (full) licence holders or registered tradespersons
Years of experience required			
All jurisdictions (where an experience requirement exists)	Years per licensee	One year	Assumption used in this report for indicative purposes
Working hours per year			
All jurisdictions	Hours per licensee	1,800	Assumption based on 7.5 working hours per day, 5 working days per week, 48 working weeks per year

Business value-add (capital efficiency)

This benefit relates to the expectation that if reforms lead to more efficient plumbing and gasfitting services – as would be expected if unnecessary licensing burdens are removed – then business will benefit from the value-add generated by a more efficient labour force.

The approach taken in this report is to assume a ratio between the benefits to labour selling plumbing and gasfitting services and the benefits to the business or household buying those services. The ratio of benefits to wages relative to benefits to profits is determined by using the ratio of labour to capital. For the purpose of this Decision RIS, the impact (benefits and costs) to businesses and households that buy plumbing and gasfitting services is assumed to be one-third of the direct efficiency impact to licensees.

Table G.34: Capital efficiency as a proportion of estimated labour efficiency

Assumption	Unit	Value	Source
Capital efficiency as a proportion of estimated labour efficiency			
All jurisdictions	%	1/3 (i.e. 33.3%)	Assumption based on Australian Bureau of Statistics 2011, <i>Australian System of National Accounts 2010–11</i> , catalogue 5204.0

Improved labour mobility

To provide an indication of the potential benefit due to an increase in labour mobility as a result of national licensing, this Decision RIS draws on the work undertaken in this area by the Productivity Commission. For the purposes of this analysis, the following assumptions have been used to calculate an indicative estimate.

Table G.35: Increase in real GDP due to national licensing

Assumption	Unit	Value	Source
Increase in real GDP due to national licensing			
Increase in real GDP due to full labour mobility	%	0.3%	Productivity Commission 2009, Review of Mutual Recognition Schemes, Research Report, page 73
Proportion of full labour mobility attributable to national licensing	%	10%	The aim of this estimate is to provide an indication of the potential impact in the context of mutual recognition, which has partly facilitated labour mobility under the base case.

Table G.36: Real GDP

Assumption	Unit	Value	Source
Real GDP			
National real GDP in 2011	\$	\$1.335 trillion	Australian Bureau of Statistics, Australian national accounts: national income, expenditure and product (GDP, chain volume measures), Dec 2011, catalogue 5206.0

Table G.37: The plumbing and gasfitting services industry in terms of employment as a proportion of real GDP

Assumption	Unit	Value	Source
Proportion of the labour mobility benefit (i.e. the change in real GDP) attributable to the plumbing and gasfitting services industry			
National	%	8%	This percentage is based on the number of plumbing and gasfitting licensees as a proportion of the total number of registered tradespersons employed in Australia. Total employed persons as at March 2012 was 11.49 million, 18 per cent are assumed to be registered workers and there are 161,527 plumbing and gasfitting licensees (see licence numbers above). Total employed persons: Australian Bureau of Statistics, <i>Labour force, Australia (Labour force status by sex)</i> , March 2012, catalogue 6202.
Registered workers as a percentage of total employed persons	%	18%	Productivity Commission 2009, Review of Mutual Recognition Schemes, Research Report, Canberra, page 48

Changes to Certificate IV units

Existing Certificate IV units – common

Table G.38: Number of existing common Certificate IV units

Assumptions	Unit	Value	Source
Number of existing common units to obtain a water, sanitary and drainage licence			
NSW	number of units	1	Based on information provided by the National Licensing Taskforce – ‘Comparison of Certificate IV units currently required by jurisdictions with national licensing three tier options’.
VIC	number of units	2	
QLD	number of units	2	
WA	number of units	2	
SA	number of units	2	

Assumptions	Unit	Value	Source
TAS	number of units	4	
ACT	number of units	2	
NT	number of units	2	

The table below shows a more detailed breakdown of the four units and the assumptions made about which units are currently required in each jurisdiction. Given that each licensee would hold different licence categories, these units have been based on the units required for most categories. For example, in the Australian Capital Territory *CPCBC4012A Read and interpret plans and specifications* is required for a water and sanitary licence, but not for any other category, and only one unit is required in the Australian Capital Territory for gasfitters. To accommodate this variation between licensees, only two units have been assumed in this jurisdiction. Similar judgments have been made in relation to the other jurisdictions where appropriate.

Table G.39: Certificate IV units common across categories no longer required under the two tier option

Common units	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
CPCBC4012A Read and interpret plans and specifications	✓	×	×	×	×	✓	×	×
CPCPCM4001A Carry out work-based risk control processes	×	✓	✓	✓	✓	✓	✓	✓
CPCPCM4002A Estimate and cost work	×	✓	✓	✓	✓	✓	✓	✓
BSBOHS403B Identify hazards and assess occupational health and safety risks	×	×	×	×	×	✓	×	×
Number of units currently required	1	2	2	2	2	4	2	2

Existing Certificate IV units – specific

Table G.40: Number of existing category-specific Certificate IV units (electives)

Assumptions	Unit	Value	Source
Number of category-specific units to obtain a water, sanitary and drainage licence			
NSW	number of units	5	Based on information provided by the National Licensing Taskforce – ‘Comparison of Certificate IV units currently required by jurisdictions with national licensing three tier options’.
VIC	number of units	5	
QLD	number of units	5	
WA	number of units	5	
SA	number of units	7	
TAS	number of units	5	
ACT	number of units	4	
NT	number of units	5	

For the 80 per cent of licensees that are assumed to hold a licence covering water, sanitary and drainage, the table below shows a breakdown of the units currently required in each of the jurisdictions. Note that when considering electives, the two units that are subject to endorsements have not been included in the analysis.

Table G.41: Certificate IV units specific to a licence category

Units specific to water, sanitary and drainage	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
BSBSBM402A/BSBSMB402 Undertake financial planning/Plan small business finances , OR BSBSBM406A/BSBSMB406A Manage finances/Manage small business finances	x	x	x	x	✓	x	x	x
BCGBC4009A/CPCCBC4009A Apply legal requirements to building and construction projects, OR BSBSBM401A/BSBSMB401A Establish business and legal requirements/Establish legal and risk management requirements of small business	x	✓	✓	✓	✓	x	x	✓
CPCPSN4011A Design and size sanitary plumbing systems	✓	✓	✓	✓	✓	✓	x	x
CPCPDR4011A Design and size sanitary drainage systems	✓	✓	x	✓	✓	✓	✓	✓
CPCPDR4012A Design and size stormwater drainage systems	✓	✓	✓	x	✓	✓	✓	✓
CPCPDR4013A Design and size domestic treatment plant disposal systems	✓	✓	✓	✓	✓	✓	✓	✓
CPCPWT4011A Design and size heated and cold water services and systems	✓	x	✓	✓	✓	✓	✓	✓
Number of units currently required	5	5	5	5	7	5	4	5

Proposed number of Certificate IV units

Table G.42: Proposed number of common Certificate IV units

Assumptions	Unit	Value	Source
Proposed number of common Certificate IV units to obtain a water, sanitary and drainage licence			
Two tier	number of units	0	Based on advice from the National Licensing Taskforce.
Three tier option with four common Certificate IV units	number of units	4	Based on information provided by the National Licensing Taskforce – ‘Comparison of Certificate IV units currently required by jurisdictions with national licensing three tier options’.
Three tier option with two common Certificate IV units	number of units	2	Based on information provided by the National Licensing Taskforce – ‘Comparison of Certificate IV units currently required by jurisdictions with national licensing three tier options’.

Table G.43: Proposed number of category specific Certificate IV units (electives)

Assumptions	Unit	Value	Source
Proposed number of category specific Certificate IV units to obtain a water, sanitary and drainage licence			
Two tier	number of units	0	Based on advice from the National Licensing Taskforce.
Three tier option with four common Certificate IV units	number of units	4	Based on information provided by the National Licensing Taskforce – ‘Comparison of Certificate IV units currently required by jurisdictions with national licensing three tier options’. Note that units that are subject to endorsements have not been included in this analysis.
Three tier option with two common Certificate IV units	number of units	4	Based on information provided by the National Licensing Taskforce – ‘Comparison of Certificate IV units currently required by jurisdictions with national licensing three tier options’. Note that units that are subject to endorsements have not been included in this analysis.

Cost of Certificate IV units

The cost of undertaking a Certificate IV unit includes the direct cost incurred by the individual (the fee charged by the training provider) and the indirect cost associated with undertaking the unit (the time that each individual spends completing each unit). The time spent (in hours) is multiplied by the average hourly wage rate to estimate a time cost.

Table G.44: Fees associated with Certificate IV units

Assumptions	Unit	Value	Source
Fees associated with Certificate IV units			
NSW	Fee per unit	\$500	These estimates were provided by New South Wales in its policy document 'Examination of additional units of competency for various NOLS plumbing and gasfitting licences'. It is based on the cost to complete seven additional units (CPCBC4012A, CPCPWT4001A, CPCPDR4001A, CPCPDR4002A, CPCPDR4003A, CPCPSN4001A, CPCPGS4001A) in New South Wales. Based on \$3,500 for seven units = \$500 per unit
VIC	Fee per unit	\$104.25	Based on information sourced from the Victoria University and the Northern Melbourne Institute of TAFE regarding the Certificate IV units being removed <i>BSBSMB401A Establish legal and risk management requirements of small business</i> and <i>CPCPSN4011A Design and size sanitary plumbing systems</i> Victoria University fee per hour is \$2.17, BSBSMB401A (60 hours) fee is \$130.20 and CPCPSN4011A (40 hours) fee is \$86.80. Northern Melbourne Institute of TAFE fee per hour is \$2.00, BSBSMB401A (60 hours) fee is \$120 and CPCPSN4011A (40 hours) fee is \$80.
QLD	Fee per unit	\$355.13	Gold Coast TAFE, Course details and fees Total fee of \$5,327 divided by the number of 'topics' covered. It is assumed that each of these topics represents a unit.
WA	Fee per unit	\$332.81	Average fees of other jurisdictions used as no data was available.
SA	Fee per unit	\$332.81	Average fees of other jurisdictions used as no data was available.
TAS	Fee per unit	\$332.81	Average fees of other jurisdictions used as no data was available.
ACT	Fee per unit	\$371.86	Average of five units listed by Canberra Institute of Technology, Course details and fees
NT	Fee per unit	\$332.81	Average fees of other jurisdictions used as no data was available.

Table G.45: Classroom delivery hours for each Certificate IV unit

Assumptions	Unit	Value	Source
Classroom delivery hours for each Certificate IV unit			
NSW	Hours per unit	39	These estimates were provided by New South Wales in its policy document 'Examination of additional units of competency for various NOLS plumbing and gasfitting licences'. It is based on the time (276 hours) to complete seven additional units (CPCBC4012A, CPCPWT4001A, CPCPDR4001A, CPCPDR4002A, CPCPDR4003A, CPCPSN4001A, CPCPGS4001A) in New South Wales.
VIC	Hours per unit	36	Average hours of other jurisdictions used as no data was available.
QLD	Hours per unit	21	Gold Coast TAFE, Course details and fees 2011
WA	Hours per unit	36	Average hours of other jurisdictions used as no data was available.

Assumptions	Unit	Value	Source
SA	Hours per unit	36	Average hours of other jurisdictions used as no data was available.
TAS	Hours per unit	36	Average hours of other jurisdictions used as no data was available.
ACT	Hours per unit	36	Average hours of other jurisdictions used as no data was available.
NT	Hours per unit	48	Charles Darwin University, Course details and fees 2011

Assumed percentage of licensees requiring difference Certificate IV units

Table G.46: Assumed percentage of elective units

Assumptions	Unit	Value	Source
Assumed percentage of licensees and the elective units			
Percentage of licensees impacted by changes in the unit levels outlined above	%	80%	Based on consultation with regulators, it is assumed that 80% of licensees have a licence covering water, sanitary and drainage
Number of units no longer required for remaining 20% of licensees – two tier option	Units per licensee	1	Given data constraints, to simplify the analysis, it is assumed that the remaining 20% of licensees would have to do at least one category-specific unit (elective)
Number of units no longer required for remaining 20% of licensees – three tier options	Units per licensee	0	Given data constraints, to simplify the analysis, it is assumed that for the remaining 20% of licensees there is no change in unit requirements

Duplicate testing in Victoria

Based on advice from the Victorian Plumbing Industry Commission, it is assumed that all applicants must complete one assessment. The commission advised that licensees generally only undertake either the registration or licence exam. For the purpose of this analysis it has been assumed that each applicant will sit a three-hour test (based on the time to complete the licence exam as no information on the time to complete a registration exam was found on Plumbing Industry Commission’s website) and an average fee across the two common tests has been applied.

Table G.47: Removal of duplicate testing requirements in Victoria

Assumptions	Unit	Value	Source
Time cost for all new licensees			
Time to sit test	Hours per licensee	3 hours	Plumbing Industry Commission, Licence (theory) test Note that no time information was provided on the commission’s website for the registration exam, so the time to sit the licence exam has been used
Fees payable for all new licensees			
Fee for test	\$ per licence	\$97.68	Average of the fee payable for the licence exam and registration exam Licence exam – \$143.15: Plumbing Industry Commission, Licence (theory) test Registration exam – \$52.20: Plumbing Industry Commission, Licensing and registration fees

Cost of introducing financial probity requirements

Under national licensing, financial probity requirements would apply for all licence types. Given that not all jurisdictions currently impose financial probity requirements for all licences, this will lead to additional costs for licence holders in certain jurisdictions.

The financial probity requirements under national licensing would involve the disclosure of certain acts, such as a failure to pay fines. This would impose a time cost for all new licence applicants, who would need to spend time identifying whether they have anything to disclose and then, if necessary, writing out their disclosure.

Table G.48 Cost of introducing financial probity requirements for contractors

Assumptions	Unit	Value	Source
Financial probity requirements			
WA	Hours per licensee	0.166 (ten mins)	Assumption based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29) It is estimated that disclosing information will take ten minutes on average. It is expected that some individuals will take less than ten minutes (i.e. if they do not have anything to disclose), and some may take longer (i.e. if they have many items to disclose). This variation is accounted for by using an average figure.
ACT	Hours per licensee	0.166 (ten mins)	Assumption based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). It is estimated that disclosing information will take ten minutes on average. It is expected that some individuals will take less than ten minutes (i.e. if they do not have anything to disclose), and some may take longer (i.e. if they have many items to disclose). This variation is accounted for by using an average figure.

Table G.49: Cost of introducing financial probity requirements for (full) licence holders

Assumptions	Unit	Value	Source
Financial probity requirements			
VIC	Hours per licensee	0.166 (ten mins)	Assumption based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). It is estimated that disclosing information will take ten minutes on average. It is expected that some individuals will take less than ten minutes (i.e. if they do not have anything to disclose), and some may take longer (i.e. if they have many items to disclose). This variation is accounted for by using an average figure
QLD	Hours per licensee	0.166 (ten mins)	
SA	Hours per licensee	0.166 (ten mins)	
TAS	Hours per licensee	0.166 (ten mins)	
ACT	Hours per licensee	0.166 (ten mins)	
NT	Hours per licensee	0.166 (ten mins)	

Table G.50: Cost of introducing financial probity requirements for tradesperson registrations

Assumptions	Unit	Value	Source
Financial probity requirements			
VIC	Hours per licensee	0.166 (ten mins)	Assumption based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). It is estimated that disclosing information will take ten minutes on average. It is expected that some individuals will take less than ten minutes (i.e. if they do not have anything to disclose), and some may take longer (i.e. if they have many items to disclose). This variation is accounted for by using an average figure
QLD	Hours per licensee	0.166 (ten mins)	
SA	Hours per licensee	0.166 (ten mins)	
TAS	Hours per licensee	0.166 (ten mins)	
ACT	Hours per licensee	0.166 (ten mins)	
NT	Hours per licensee	0.166 (ten mins)	

Removal of personal probity requirements for non-contractor licences

Under national licensing, the majority of personal probity requirements would be removed for all non-contractor licences (this includes (full) licence holders and tradesperson registrations). In jurisdictions that currently impose personal probity checks for non-contractor licence applicants, a benefit would be gained by avoiding the cost of probity checks. In jurisdictions that impose this requirement, one or more of the following personal probity costs are incurred by licence applicants:

- the time to obtain two references
- fees for obtaining a police check

Table G.51: Removal of personal probity for (full) licence holders

Assumptions	Unit	Value	Source
Personal probity requirements			
NSW	Hours per licensee	0.33 hours (20 minutes)	<p>Assumption based on the requirement to be a 'fit and proper person'. It is assumed that this requirement would be met by providing two references or spending an equivalent time on making a declaration.</p> <p>Based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29), it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references. In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).</p>
VIC	Hours per licensee	0.166 hours (ten minutes)	<p>Victoria requires the disclosure of charges or disqualifications. Based on the mapping exercise undertaken by the COAG National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.</p> <p>Based on a PricewaterhouseCoopers study, it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).</p>
WA	Hours per licensee	0.5 hours (30 minutes)	<p>Based on the following requirements:</p> <ul style="list-style-type: none"> • details of any charges and disqualifications from holding an occupational licence – it is estimated that disclosing information will take ten minutes on average. It is expected that some individuals will take less than ten minutes (i.e. if they do not have anything to disclose), and some may take longer (i.e. if they have many items to disclose). This variation is accounted for by using an average figure. • details of two referees – it is assumed that 30 minutes will be required for an applicant to obtain a passport photo and two written references (PricewaterhouseCoopers, 'Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). It has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes). <p>Plumbers Licensing Board, Tradesperson's licence application</p>
	\$ per licensee	\$53.70	Western Australia Police, National Police Certificates
TAS	Hours per licensee	0.33 hours (20 minutes)	<p>Assumption based on the requirement to be a 'fit and proper person'. It is assumed that this requirement would be met by providing two references.</p> <p>Based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29), it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references. In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).</p> <p>Workplace Standards Tasmania, Fit and proper</p>
ACT	Hours per licensee	0.166 hours (ten minutes)	<p>The Australian Capital Territory requires the disclosure of charges or disqualifications. Based on the mapping exercise undertaken by the COAG National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.</p>

Assumptions	Unit	Value	Source
			Based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29), it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references. In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).
NT	Hours per licensee	0.33 hours (20 minutes)	<p>Assumption based on the requirement to provide 'character references'. It is assumed that this requirement would be met by providing two references.</p> <p>Based on a PricewaterhouseCoopers study ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29), it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references. In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).</p> <p>NT Plumbers and Drainers Licensing Board – Application forms</p>

Table G.52: Removal of personal probity for tradesperson registrations

Assumptions	Unit	Value	Source
Personal probity requirements			
NSW	Hours per licensee	0.33 hours (20 minutes)	<p>Assumption based on the requirement to be a 'fit and proper person'. It is assumed that this requirement would be met by providing two references or spending an equivalent time on making a declaration.</p> <p>Fair Trading NSW, Business Licensing Information Service</p> <p>Based on a PricewaterhouseCoopers study, it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).</p>
WA	Hours per licensee	0.166 hours (ten minutes)	<p>Western Australia requires the disclosure of charges or disqualifications. Based on the mapping exercise undertaken by the National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.</p> <p>Based on a PricewaterhouseCoopers study, it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).</p>
NT	Hours per licensee	0.33 hours (20 minutes)	<p>The Northern Territory requires two written references. Based on the mapping exercise undertaken by the National Licensing Taskforce, which identified the differences between state and territory licensing requirements and the requirements proposed under national licensing.</p> <p>Based on a PricewaterhouseCoopers study, it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). In the absence of any other information, it has been assumed that two-thirds of this cost is attributable to obtaining two written references (i.e. 20 minutes).</p>

Removal of the requirement for apprentices to apply for a licence

Table G.53: Number of current apprentices in the industry

Assumptions	Unit	Value	Source
Number of apprentice licence applications per annum			
WA	number of apprentice licensees	616	Plumbers Licensing Board, Licensed plumbers numbers
SA	number of apprentice licensees	526	Unpublished data provided by the National Licensing Taskforce, received May 2011 based on advice from regulators

Table G.54: Fee for apprentice licence

Assumptions	Unit	Value	Source
Apprentice licence fee			
WA	\$ per licence	\$70	Government of Western Australia, Department of Commerce, Energy Safety, Application for a 'Class G' gasfitting permit for apprentices and pre-apprentices restricted to work under supervision
SA	\$ per licence	\$0	There is currently no fee for apprentice licences in South Australia

Introducing worker licences in Queensland

The number of expected worker licensees is only approximate, as data on the actual number is unknown.

Table G.55: Number of workers required to be licensed in Queensland under national licensing

Assumptions	Unit	Value	Source
Number of worker licensees in Queensland			
Mechanical services	number of licensees	4,000	Unpublished estimate provided by Queensland on 31 May 2012
Gasfitting Type B	number of licensees	500	Unpublished estimate provided by Queensland on 31 May 2012

Introducing contractor licences under national licensing

The number of expected business contractor licensees is only approximate, as data on the actual number is unknown. The licence fees and terms used in calculating the impact on these licensees are based on licence fees payable as at June 2012, or where applicable as at the date specified.

Table G.56: Number of business contractor licensees under national licensing

Assumptions	Unit	Value	Source
Number of business contractor licensees expected under national licensing			
VIC	number of licensees	2,915	Prorated from the number of (full) licence holders in Victoria, based on the proportion of contractor licensees that are businesses in New South Wales
NT	number of licensees	239	Prorated from the number of (full) licence holders in the Northern Territory, based on the proportion of contractor licensees that are businesses in New South Wales

Providing evidence of skills maintenance

All applications for a licence in plumbing, draining or gasfitting classes in New South Wales and the Northern Territory must be accompanied by supporting statements from the applicant’s supervisor verifying the applicant’s experience in carrying out the work in accordance with relevant standards and codes. It is assumed that disclosing this information to the appropriate regulator takes ten minutes per licensee.

Table G.57: Time to generate proof/letter showing experience maintaining skills

Assumptions	Unit	Value	Source
Time to meet requirements			
NT	Hours per licensee	0.166 hours (ten minutes)	Based on a PricewaterhouseCoopers study, it is estimated that 30 minutes is required for an applicant to obtain a passport photo and two written references ('Private Security Regulations 2005: Regulation Impact Statement', April 2005, page 29). In the absence of any other information, it has been assumed that one-third of this cost is attributable to obtaining one written reference (i.e. ten minutes). <u>Plumbers and Drainers Licensing Board, Evidencing skills maintenance for plumbers and drainers</u>

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