

16 March 2017

Queensland Building Plan
Department of Housing and Public Works
GPO Box 2457
CITY EAST BRISBANE QLD 4000

Dear Sir,

Comment on proposed Mechanical Services Licence in Qld

Thank you for the opportunity to comment on the proposed introduction of licencing requirements in the form of Mechanical Services.

It is understood that Queensland is considering a model based on the Victorian model which utilises plumbing as the industry base, rather than the more usual refrigeration and air conditioning (RAC) sector. This raises questions about the impact on the way the Industry currently operates (change to structure), duplication of licence types and training misalignment with the scope of works of the licence.

You may be aware that COAG recently reviewed all State licence schemes including the Victorian scheme as part of their regulatory impact statement into national licensing. COAG made some criticisms of the Victorian scheme which it would appear are to be replicated in Queensland.

Some general observations and comments regarding the proposal are listed as follows for your consideration:

- The scope of works for the proposed licence is already covered on the ARClick national licence. COAG previously identified and quantified in their RIS on national licensing that the ARCTick Scheme has the highest net benefit (effective and efficient) of any RAC related licence scheme by a considerable margin.
- The work described in the scope of works of the proposed licence is usually undertaken by Refrigeration and Air Conditioning (RAC) technicians, meaning the proposal is inconsistent with how the industry currently operates.
- The scope of works identified in Question 2 of your Factsheet 2 are consistent with a RAC apprenticeship. A plumbing apprenticeship will not deliver the outcomes consistent with the scope of works of the licence. The skill sets are incongruous and are likely to deliver substandard outcomes.

- The Victorian requirements for Mechanical Services are inferior compared to the ARCTick requirements unless specific additional RAC competencies are obtained. This has led to the unfortunate and confusing situation where those with the Mechanical Services licence in Victoria are still unable to legally do the work. It would seem at the very least an ideal opportunity to align with the ARCTick requirements to avoid this dilemma.
- Given Mutual Recognition is the current policy position of COAG it would seem peculiar that the Victorian model was chosen to develop around when Victoria is not contiguous with QLD and the opportunity for any practical application of mutual recognition is lost. This will limit labour mobility and imposed direct and indirect costs.

Further, the Victorian model was criticised by COAG in their recent RIS on national licencing i.e.; *"analysis of their requirements cannot be justified as being a necessary requirement to achieve the regulatory objective for the refrigeration and air conditioning occupations"* and also *" the scope of regulation being broader than may be necessary – for example, the requirement to hold a Mechanical services licence to obtain an endorsement for refrigeration and air conditioning in Victoria"*.

Importantly the proposal represents a fundamental shift from RAC to plumbing in a manner which is inconsistent with how the industry currently operates, resulting in massive likely burden and both indirect and direct costs.

We would add that COAG's stated objective regarding reform is a desire to enhance labour mobility and remove unnecessary regulatory burden. It would seem (in the absence of any quantitative analysis based on good regulation principles) that this proposal would not meet that test. Further, we understand genuine regulatory reform to be important in the context of potential GST distribution by the Australian Government.

We trust this information is helpful. We would be pleased to work with you on this issue going forward. If in the meanwhile you require any further information or clarification, please do not hesitate to contact me on 03 9843 1600 or gevans@arctick.org.

Yours Faithfully,

Glenn Evens
Chief Executive Officer