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Economic Regulation Authority

<https://www.erawa.com.au/consultation>

Response to ERA Consultation Paper 1: Identifying priority areas for reform

The Master Plumbers and Gasfitters Association of WA welcomes the opportunity to respond to this discussion paper.

We believe licensing reform is important and there is a need for reform in the plumbing and gasfitting industry in Western Australia. This should be a priority for the ERA because of the relationship between licensing and the pending review of plumbing regulation in WA, ongoing discussions about a review of training, and the connection between plumbing work and public health and safety.

Response to questions relating to 'Issues arising across business licensing schemes'

The questions in this group are:

- What are the priority areas for reform of business licensing in Western Australia? Why? What effects do they have on you? What reforms would you recommend?
- Is business licensing used too freely to address problems and risks? If so, why is this the case?
- What shapes the way regulatory agencies and licensees interact?
- What types of issues hinder reforms of business licensing? What can be done to make business licensing reforms more likely to be progressed?
- What are some examples of successful reforms of business licensing?

Our response to this group of questions is that we would welcome the opportunity to reply to a Consultation Regulatory Impact Statement (RIS) that includes specific options or recommendations.

Responses to questions relating to 'Prioritising business licensing schemes'

Which licensing schemes should be a high priority for review and reform? Why? What effects do they have on you?

We believe licensing for plumbing tradespersons, plumbing contractors and gasfitters who hold either a licence or permit are high priorities.

All our references in this document to licensed plumbers and licensed plumbing contractors should be understood to include gasfitters.

The industry and the broader community depend on a licensing system that ensures the knowledge and skills of license holders are up to date. The licensing system must be supported by a strict regulation and compliance regime.

Please provide evidence about the effects of the licensing scheme(s), including:

- **The sectors affected**

All sectors of the business and the community are affected, because licensed plumbing tradespeople and licensed plumbing contractors perform work in every sector.

- **Whether it restricts entry to the industry and/or competition and if so how**

The licensing system is designed to prevent untrained, unqualified people from entering the industry. This is desirable and must continue because otherwise there would be serious risks to public health and safety.

- **How it adds to business costs**

The licensing system reduces business costs in the long run because it ensures that when a business customer engages a licensed plumbing contractor, the work performed and products installed are fit for purpose and do not create health and safety risks.

- **Whether it reduces investment and innovation and if so how**

The licensing system has no impact on investment and innovation.

- **Whether it disproportionately affects small business**

We do not believe the licensing system has a disproportionate effect on small business. Plumbing contractors range in size from one to 200 employees, and their customers include the full spectrum of small, medium and large businesses.

- **How it affects the prices, quality and choice of goods and services available to consumers.**

The quality of services is higher than if there were no licensing system and this simply reflects the professional services that are being provided by properly trained and qualified people. Overall, there is a positive benefit to consumers in every sector. The cost to consumers would ultimately be very high if untrained and unskilled people were performing plumbing work and installing plumbing products and endangering public health and safety.

What reforms would you recommend for these licensing schemes?

We would like to see the following two reforms

1. The introduction of a mandatory Continuing Professional Development (CPD) program

CPD means a formal process by which professional people prove they are learning and applying new skills and knowledge throughout their careers, rather than relying only on their initial training and qualifications. In Australia and worldwide, CPD is a long-established feature of professional occupations such as engineering, architecture, accounting, nursing, medicine and teaching.

The work of licensed plumbing contractors is extremely important for the health and safety of the community. A CPD program would create an independently verified point of difference between licensed and unlicensed operators. The public would have a very clear signal that licensed contractors are professionals with a career-long commitment to maintaining and enhancing their skills and knowledge.

The aims of a CPD program would be to ensure that licensed plumbing contractors are up to date with:

- new products
- innovations in technology
- current best practice
- relevant laws and regulations

We propose an implementation strategy in which participation in the CPD program would be voluntary for a limited number of years, to allow it to be phased in smoothly, before becoming compulsory.

2. The introduction of a new class of plumbing licence for fire protection services

In Western Australia, people who install sprinkler systems are not required to hold a plumbing licence. There should be a class of plumbing licence for this type of work, together with a training and compliance regime, in order to ensure quality work and reduce the risk to the public of death or injury related to fire in buildings.

3. The establishment of an independent Plumbers Licensing Board

Currently the Plumbers Licensing Board (PLB) is an organisational unit of the Building Commission, which is part of the Department of Commerce. The PLB uses Department of Commerce staff for support, and is funded by plumbers' licensing fees that the Department of Commerce collects.

An independent Plumbers Licensing Board would have greater autonomy and give the State Government and Parliament a clear line of communication with the industry with greater emphasis on technical regulation than is possible now.

Which licensing schemes have been reviewed over the past five years? Were these reviews effective? Why/why not? Have recommendations for reform been implemented?

The National Occupational Licensing Authority (NOLA) and the National Occupational Licensing System (NOLS) were disbanded in 2014. We are supporters of the concept of national licensing because it would make the industry more efficient by allowing licensed plumbers to work across state and territory boundaries.

Responses to questions relating to 'Assessing case studies against the analytical framework'

The questions in this group are:

- What should the ERA consider selecting case studies to assess against the analytical framework?
- What case studies should the ERA assess against the analytical framework?

Our response to this group of questions is that we believe the ERA should examine case studies from a broad range of jurisdictions and choose what works. We would welcome the opportunity to explore options in a Consultation Regulatory Impact Statement and respond to them.


Response to ERA Consultation Paper 2: Analytical framework and guideline

The Master Plumbers and Gasfitters Association of WA welcomes the opportunity to respond to this discussion paper.

As we have stated in our response to *Consultation Paper 1: Inquiry into reform of business licensing in Western Australia*, we believe licensing reform is important and there is a need for reform in the plumbing and gasfitting industry in Western Australia.

With regard to *Consultation Paper 2: Analytical framework and guideline*, our response is that we would like the ERA to prepare a Consultation Regulatory Impact Statement that includes specific options. We would welcome the opportunity to consider such options, engage in discussions and submit our recommendations.

Yours sincerely



Murray Thomas
CEO

The Master Plumbers and Gasfitters Association of WA
(Union of Employers)