

29 November 2018

Reform of Business Licensing in Western Australia
Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

Dear Sir/Madam

Please find below, the response of the Electrical Contractors Association of Western Australia (NECA WA) to the draft report of the ***Inquiry into the Reform of Business Licensing in Western Australia***.

The National Electrical and Communications Association (NECA WA) is the largest industry association representing the interests of electrical contractors and the wider electrical industry. NECA WA currently has more than 1,350 members.

Request 1: There is a substantial amount of information on problems with state government business licensing. However, there is limited concrete evidence about what is causing these problems. The ERA invites stakeholders to provide information about the causes of problems with state government business licensing.

NECA WA believes that the centralisation of trades licensing processing within Building and Energy - the separation of the license processing from the industry regulator - has resulted in an increase in the processing time for training licences.

Apprentices cannot undertake electrical work as it is defined in the electrical licensing regulations unless they hold a valid training licence. The delays in processing these licences, which is routinely in the order of three months, are having a negative impact on the employment opportunities of young people seeking to enter the electrical industry.

NECA WA would like to propose that rather than having to wait until a licence is processed by Building and Energy, apprentices should be deemed to have an electrical training licence from the signing of the apprenticeship contract and that Building and Energy then has 60 days to issue a hard copy of that licence to the apprentice.

The current system puts contractors at risk of not being able to have the apprentice do any 'electrical work' (as per their training contract) until they have their training licence. It also increases the risk to contractors of legal and insurance issues, should an apprentice be involved in an incident before they receive their hard copy licence.

In addition, NECA WA believes (and indeed has formally requested), that an extension of three months should be applied to a training licence at the end of an apprenticeship, if the apprentice is required to re-sit their Capstone examination. The Capstone is the final examination undertaken by an electrical apprentice which must be successfully completed before they can complete their apprenticeship and/or undertake remedial training. This would allow an apprentice to continue to undertake supervised work with their current employer whilst finalising their licensing exams.

NECA WA has anecdotal evidence of the impacts that the lengthy delay in processing training licences is having on the industry.

Request 2: How can government develop a culture of continuous evaluation and improvement of licensing schemes?

NECA WA is strongly opposed to any changes being made to the Electrical Licensing Board (ELB).

The composition of the ELB ensures that there is representation from all major industry sectors – employers, unions, consumers, the public and electrical contractors - which allows for the views and interests of all sectors to be heard and considered.

The current arrangement in WA where NECA WA, as the industry's representative, moderates and validates the capstone licensing exams on behalf of the Electrical Licensing Board, allows for all industry parties to play a part in ensuring the outcome has both currency and competency of trade practice. NECA WA believes that this process should remain.

Request 3: What questions and measures should be included in the performance checklist and dashboard?

NECA WA has no comment to make on this item.

Request 4: How can agencies increase consumer input to reviews of licensing schemes?

NECA WA believes that the Electrical Licensing Board already provides consumers with input into any electrical licensing review, because the ELB has various stakeholder representation including positions designated for consumers of electrical services.

These positions provide representation for:

- the interests of large businesses, who are consumers of electrical services;
- the interests of small businesses, who are consumers of electrical services;
- a residential consumer of electrical services.

Request 5: Would establishing a body to represent the interests of consumers in business licensing review and reform processes be useful: If so:

- **How should it be funded?**
- **How should its leadership and membership be decided?**
- **Should it be part of, or independent of, government?**
- **Should it be a new body, or should the functions of an existing body be expanded?**
- **What should its functions be?**

As outlined in Request 4, NECA WA believes that the representation of consumers is already provided for in the composition of the Electrical Licensing Board.

Request 6: Please provide information about:

- **Inadequacies in agencies' inspection regimes leading to non-compliance.**

NECA WA believes that the focus of the licensing regime is misplaced. There is an almost exclusive focus on inspecting work performed by licensed contractors but there is no similar regime or mechanism in place to check the work completed by restricted electrical licence holders.

NECA WA believes there should be an increased focus on inspecting the work of restricted licence holders. Restricted licence holders pose a greater risk and warrant an increased inspection regime, because there is a greater risk of exposure to live parts with restricted licence holders due to them working primarily in a fault finding environment, rather than on new installations. At present we believe there are virtually no audits of persons in this field, when it is critical that they have safety processes in place to reduce the risk of exposure to live parts.

- **What is causing any inadequacies in agencies' inspection regimes?**

The current inspection regime is tailored to checking electrical installation work on new premises, where a much safer outcome would be achieved by introducing an audit program to cover all spheres of electrical work. There is a tendency for licensed electricians to attend training seminars, whilst restricted licence persons have no follow-up electrical training.

- **Non-compliance or parties not obtaining appropriate licences for a business activity, causing harm to the community.**

Without proper auditing and education there is a greater chance that non-core electrical trades are much more likely to undertake some form of electrical work themselves, rather than call a licensed electrician. This exposes themselves as well as the public to possible danger.

- **Data analysis being used to inform risk-based compliance frameworks.**

Data of the results of capstone examinations and data from the moderation and validation processes are provided free of charge by industry to the Electrical Licensing Board. This data, which industry collects at an annual cost of more than \$25,000, allows the ELB to monitor the trends in apprentice pass rates and the suitability of the Capstone assessment and process. This ensures approved RTO's are delivering training of a high standard, which is compliant to the national training package and are not training to the examination content.

Following the recent separation of licensing from the electrical industry regulator, industry is no longer provided with licensing application data in a format that is of any use. Previous data, when compared to the apprentice commencement data provided by Department of Training and Workforce Development (DTWD), has assisted industry to identify if apprentices were undertaking work without a licence. Previous analysis of this data undertaken in conjunction with the UEEA Training Council, found more than 300 apprentices were working in the electrical industry without a valid training licence.

Request 7: Should legislation include sunset provisions for licensing schemes? If so, how should the sunset clause mechanism operate? In particular, how could sunset provisions affect other processes such as Regulatory Impact Assessment?

NECA WA does not support the inclusion of sunset clauses in licensing schemes. It believes that such clauses do not provide appropriate opportunities for review and comment of the issues governed by any sunset clause prior to, or upon, the clause's expiry.

On a number of occasions, across all industries, this has resulted in positive processes and outcomes ceasing, simply because a sunset clause expires.

Request 8: Please provide examples of:

- **'Red tape' (for example, overly complex and difficult to understand licensing schemes, challenges working with regulators, redundant licensing schemes) that limits business activity.**
- **The cumulative effects of being regulated by multiple licences and agencies.**

Whilst NECA WA strongly supports the retention of Training Licences, it also strongly believes that the processing of these licences needs to be reviewed.

NECA WA believes that the centralisation of all trades licence processing within Building and Safety and the separation of the licence processing from the industry regulator, has resulted in an increase in the processing time for training licences.

Any delay in processing the licences is manifested when apprentices cannot undertake electrical work as it is defined in the electrical licensing regulations, unless they hold a valid training licence. The delays in processing these licences, which is routinely in the order of three months, are having a negative impact on the employment opportunities of young people seeking to enter the electrical industry.

Rather than having to wait until a licence is processed by Building and Energy, NECA WA believes that apprentices should be deemed to have an electrical training licence from signing of the apprenticeship contract and that Building and Energy then has 90 days to issue a hard copy of that licence to the apprentice.

The current system puts contractors at risk of not being able to have the apprentice do any electrical work (as per their training contract) until they have their training licence. It also increases the risk to contractors of legal and insurance issues, should an apprentice be involved in an incident before they receive their hard copy licence.

As previously indicated, NECA also WA believes (and indeed has formally requested), that an extension of three months should be applied to a training licence at the end of an apprenticeship, if the apprentice is required to re-sit their Capstone examination and/or undertake remedial training. This would allow an apprentice to continue to undertake supervised work with their current employer whilst finalising their licensing exams.

Request 9: Is harm being caused to the community, economy or environment because licensing conditions and requirements are not stringent enough? Please provide examples.

NECA WA believes that an electrical worker must, for reasons of technical and safety expertise, have at least two years industry experience before they become eligible to apply for an Electrical Contractors licence.

NECA also believes that in order to obtain an Electrical Contractors Licence in any jurisdiction in Australia, the applicant should complete the nationally accredited Certificate IV in Contracting qualification.

Request 10: Please provide feedback on the draft recommendations. Would they operate well together as a package?

NECA WA supports any recommendations contained in the report which support the retention of the Electrical Licensing Board in its current form.

Request 11: Could the recommendations be implemented with existing resources, and are there obstacles to implementing the recommendations?

NECA WA has no comment to make on this item.

Yours sincerely



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