



WATER SERVICES
ASSOCIATION OF AUSTRALIA



**Productivity Commission:
National Policy Competition
Analysis: Interim Report**





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**Water Industry Submission: Productivity Commission National Policy Competition Analysis:
Interim Report**

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We confirm that this submission can be published in the public domain.

1. Introduction

The Water Services Association of Australia (WSAA) is the peak body that supports the Australian urban water industry. Our members provide water and sewerage services to over 24 million customers in Australia and New Zealand and many of Australia's largest industrial and commercial enterprises. WSAA facilitates collaboration, knowledge sharing, networking and cooperation within the urban water industry. The collegiate approach of its members has led to industry wide advances on national water issues.

In June 2025, WSAA provided an initial submission to the identified reforms of the Productivity Commission of occupational licencing, international standards and other competition reform options. WSAA values the opportunity to provide an additional response that concentrates on both standards and occupational licensing.

2. Standards

The Water sector endorses recommendation 1 from the Productivity Commission's Interim Report and also supports the proposed harmonisation of these standards, where practicable, and the elimination of unnecessary references.

The water sector agrees with the potential benefits of adopting and harmonising with international standards. However, there are situations where international standards may not specifically address Australian needs relating to our climate extremes along with legislative and other legal constraints. As a Standards Nominating Organisation for the past 30 years WSAA has shown that using national experts to assess international standards and determine necessary modifications to meet specific national requirements has led to robust, high-quality standards for the Australian water sector. The current process developed by Standards Australia, using local expert evaluation of International Standard adoption and modification via a Standards Australia Technical Committee is essential, along with additional oversight and enforcement of conflict-of-interest issues within committees. These current processes have ensured alignment with local conditions while meeting stringent safety and quality requirements.

WSAA agrees with the Productivity Commission's recommendation for governments to update legislation to align with current standards. This process will streamline the ability to adopt international standards, which is crucial for adopting innovative technologies and reducing the time to introduce necessary standards. Any transition period set for licensees to demonstrate compliance with a standard should commence from the publication date of the new or amended standard. Allowing manufacturers time to re-adjust (i.e. redesign, re-tool, retest, and demonstrate compliance) rather than starting when legislation is published.

For instance, when product standards are updated, manufacturers or importers are required to implement the necessary modifications to production processes without delay and verify that their products comply with the specified requirements. Several methods exist for demonstrating conformity, such as self-declaration, third-party evaluation, and certification by accredited organisations. The chosen method is determined by the customer or asset owner depending on the risk-based approach. This means that the rigor and type of conformity assessment (e.g., audits, testing, documentation review) will be tailored to the specific risks identified with the product, service, or asset in question.

The water sector supports free access to Australian Standards in legislation, to remove compliance barriers, especially for small businesses. The cost to access standards is prohibitive for many small businesses. Until 2016, Australian Standards were freely accessible through national and state libraries. The failure to renew these licences has limited access. Standards Australia offers limited free read-only access to 2,500 Australian Standards for non-commercial, personal, domestic, or household use. Users receive up to three 24-hour access passes per year. Commercial users must purchase standards from Standards Australia. Small business owners and individuals often need access to multiple standards to comply with regulations, which can be financially burdensome.

Free access to Australian Standard aids understanding of legal requirements, reduces non-compliance, and enhances public safety. To ensure compliance isn't influenced by commercial interests, the water sector proposes online availability and inclusion in legislative instruments.

We support online access to all mandated and regulatory standards and supports improvements to safety, environmental protection, compliance, public health and productivity.

3. Occupational Licensing

Occupational licensing is crucial for ensuring safety, quality and regulatory compliance in the Australian Water Sector. WSAA supports the intent of Occupational Licensing to enhance the portability of skills across state and territory borders. WSAA welcomes the review and recommendations within the Interim Report. In addition, WSAA calls for broadening the scope of the review to include roles requiring certification and international licensing interoperability.

Licensing interoperability would be highly beneficial to the Australian water sector given investment is increasing significantly to meet the challenges of housing growth, ageing assets and climate change. We require workforce mobility to support a step change in productivity to deliver value for our customers and communities. Licensing interoperability is also important to foster and promote consistent safety and compliance requirements and for emergency response.

In summary, streamlining licence recognition would:

- Reduce administrative overheads and compliance complexity for water utilities, civil contractors, and councils
- Promote faster response to extreme events and capital expenditure programs as skilled trades from different states could be mobilised quickly without delays caused by local licensing restrictions.
- Help drive standardisation, ensuring all licensed trades meet a nationally recognised baseline of competence and safety in the water sector.

Context

Occupational licensing is critically important in the Australian water sector because it ensures the safety, quality, and regulatory compliance of work that directly affects public health, environmental protection, and essential infrastructure. This helps build public trust in water services and enhances health and safety.

Licensed trade occupations within the Australian water sector include:

- Plumbers (water, sewage, drainage, fire protection)
- Electricians
- Gasfitter (hot water systems)
- Backflow Prevention Tester
- Water Meter Installer and
- Irrigation Installers

Limited data exists for trade worker breakdowns specifically in the water sector. In the 2021 Census, the broader category of Technicians and Trades Workers made up 13.1% of all occupations in the Australian workforce (ABS).

However, licensed roles within the water sector make up a relatively small proportion of the water utility workforce as they are largely outsourced.

The sector is currently experiencing staffing shortages, particularly in regional areas. The sector requires substantial investment amidst a constrained talent pool and productivity slowdown. Enabling the portability

of skills will help improve the availability and better enable the assessment and employment of suitability skilled employees.

Creating an inclusive work environment and fostering a diverse workforce are essential to meeting the water sector's challenges. As the 2025 WSAA Report 'Belonging: Diversity Equity and Inclusion in the Water Sector' highlights, actively broadening talent pools is crucial to addressing existing and future skills gaps and the ongoing challenge of a predominantly male and ageing workforce.

Broadening the scope of the review

WSAA calls for the scope of the review to also include roles requiring certification. Specifically, this includes Water Industry Operators as well as Water and Wastewater Treatment Plant Operators. Like trade license interoperability, this approach offers benefits such as greater mobility, consistent processes, cross-functional workforce capabilities (especially in remote regions), simplified training (transparent signalling to registered training organisations), clearer career paths and recognition, and increased efficiency.

In addition, international licensing interoperability should be reviewed to reduce costs and barriers for international labour markets.

Information request- impact on productivity and costs of complying with occupational licensing requirements

While Australia has frameworks like Automatic Mutual Recognition (AMR) to reduce red tape, costs still exist, especially in more regulated roles like plumbing, treatment operations, and backflow prevention. Costs include application and notification fees, additional licensing fees, training or gap assessment fees, lost time during transition, lost income, and travel and accommodation costs. A reduction in these costs would streamline processes to enhance productivity.

Summary

The Water Sector values the opportunity to provide input.

WSAA endorses recommendation 1 from the Productivity Commission's Interim Report and also supports the proposed harmonisation of these standards, where practicable, and the elimination of unnecessary references.

Occupational licensing is crucial for ensuring safety, quality, and regulatory compliance in the Australian water sector. However, significant costs and barriers remain. Reducing these costs would enhance productivity. WSAA therefore supports recommendations within the Interim Report that improve skill portability and reduced costs across state and territory borders. In addition, WSAA calls for broadening the scope of the review to include roles requiring certification and international licensing interoperability.

4. Contact

WSAA welcomes the opportunity to discuss this submission further.

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