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31 July 2008

Ms C Gardner  
Mutual Recognition Review  
Productivity Commission  
LB2 Collins Street East  
MELBOURNE VIC 8003

Dear Ms Gardner

**The Plumbing Industry Advisory Council's Submission for the Review of  
Mutual Recognition Schemes by the Productivity Commission June 2008**

The Plumbing Industry Advisory Council (PIAC) is a key industry advisory group established under Part 12A of the Victorian *Building Act 1993*, to provide advice to the Minister for Planning and the Plumbing Industry Commission (PIC). The membership of PIAC is listed in Appendix A attached.

The Council includes up to 12 members and represents plumbing and building statutory authorities, industry employers and employees, vocational educators, water and gas regulators, the building industry and consumers.

PIAC appreciates the opportunity to provide comment for the review of mutual recognition schemes. In principle, PIAC agrees that mutual recognition schemes provide a mechanism for reducing regulatory impediments for the sale of goods and registration of occupations. This is particularly the case when the regulatory framework of the individual jurisdictions is very similar, or where there is low risk or minor hazards associated with any differences.

In reviewing the Mutual Recognition Agreement (MRA) and the Trans Tasman Mutual Recognition Arrangement (TTMRA), it is appropriate that consideration of the ways that issues are currently dealt with between States and Territories of Australia and New Zealand be made and where possible consistent approaches adopted.

In the case of the plumbing occupation, harmonisation of regulations and mutual recognition of registered or licensed plumbing practitioners has long been a consideration of the Australian and New Zealand plumbing regulatory agencies in order to create consistent requirements for registration and licensing and eliminate any unnecessary impediments of cross-border movements of the plumbing trade.

We are informed by the PIC that they have not seen evidence of large numbers of Victorian plumbing practitioners moving across jurisdictional borders, driven by labour shortages. In the 2007-2008 financial year, only 46 applicants were recognised by the PIC under the Mutual Recognition Agreement. This is a small proportion of the total number of licensed and registered plumbing practitioners in Victoria which was 21,378 at the end of the 2007-2008 financial year.

The Australia New Zealand Reciprocity Association (ANZRA) commenced reducing the variations across jurisdictions to enable cross-border and inter-country recognition of registered or licensed plumbing practitioners many years ago. In more recent times, the plumbing industry has, under COAG initiatives and a Ministerial Declaration in February 2007, made clear statements about equivalency for occupations across jurisdictions.

Cross-border recognition is mostly relevant where regional centres border jurisdictional lines, for example, where transient plumbing practitioners regularly work in both Victoria and New South Wales. Under a specific agreement between the PIC and the Office of Fair Trading NSW, in the 2007-2008 financial year, 277 plumbing practitioners residing in NSW were able to work in Victoria without having to apply for a Victorian licence or registration.

The National Plumbing Regulators Forum (NPRF) has facilitated greater consistency in plumbing standards across all Australian states and territories. This forum continues to drive harmonisation activities across Australia and New Zealand as they relate to plumbing regulation. Much of the work of the NPRF in the past few years has been around determining equivalence of plumbing practitioner registration and licensing requirements and driving the implementation of nationally consistent training for plumbing practitioners.

PIAC supports an industry based approach in this area, and recognises the potential community health implications should the practitioner not have the required competency. We also believe that the work undertaken by the NPRF and industry to harmonise regulatory systems has had a significant impact on reducing regulatory burden and is working effectively in conjunction with the mutual recognition schemes.

We also note the statements in the issues paper relating to the 'special exemption' for gas appliances. Special exemptions apply to the TTMRA only and where jurisdictions are hopeful that greater integration can be achieved, but recognise further work is required. Special exemptions are rolled over every 12 months if they are to remain in force, as with the situation with gas appliances. With respect to the special exemption for gas appliances, the difference between the Australian and New Zealand schemes is very significant. The Australian scheme for gas appliances has a focus on consumer health and safety, whereas the New Zealand scheme for these appliances has a focus on performance measures. Because the two schemes are so different, the exemption should remain.

With regard to plumbing products, while Australia and New Zealand are harmonising standards, there are still significant differences. Further, because Australia has some unique circumstances, such as water shortages and an increased requirement to use renewable energy there are regulatory differences regarding hot water services such as solar. These jurisdictional differences reflect different policy objectives and this needs to be considered and accommodated as part of any mutual recognition.

Increasing flexibility regarding importation of plumbing products can have implications for community health unless adequate inspection and testing procedures are in place and are properly managed and resourced.

The issues paper also highlights consideration of a national licensing system, and we note that at the 3 July COAG meeting it was determined to pursue this issue further. Many of the issues regarding mutual recognition will certainly be canvassed as the concept of National Licensing is developed. The PIAC would welcome the opportunity to be a part of any further discussion on this matter, given the significant role that PIAC have played in the harmonisation of the plumbing regulatory system and implementation of mutual recognition schemes for the plumbing industry in the past.

In summary, while we believe that the MRA and TTMRA have provided mechanisms for reducing regulatory impediments in many industries, the plumbing industry has, given its focus on community health and safety, worked well to initiate effective mutual recognition processes without compromising the integrity of the regulatory framework.

PIAC believes that the plumbing industry has at a national level worked collaboratively to develop transparent and effective recognition processes and will continue to provide for an improving regulatory system that minimises regulatory burden, supports sustainability policy and does not compromise some of the world's highest standards for health and safety in plumbing systems.

I hope that these comments will be of value to the Productivity Commission's review of mutual recognition schemes. We are able to provide further input into the review if required.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. McClusky', with a stylized, flowing script.

**Doug McClusky**  
**Chairman**

## APPENDIX A:

### MEMBERSHIP OF THE PLUMBING INDUSTRY ADVISORY COUNCIL

The Plumbing Industry Advisory Council is established under Part 12 A, Section 221ZZXA of the *Building Act 1993*.

Part 12 A, Section 221ZZXB of the *Building Act 1993* specifies the constitution of the Council. Members of the Council are appointed by the Minister for Planning.

The Council consists of:

- Chairperson, who must be a person who, in the opinion of the Minister, has substantial knowledge of, and experience in, the plumbing industry; and
- the Plumbing Industry Commissioner; and
- the Commissioner of the Building Commission; and
- a person nominated by the Minister administering the **Water Act 1989**; and
- a person nominated by the Minister administering the **Gas Safety Act 1997**; and
- a person nominated by the Minister administering the **Education and Training Reform Act 2006**; and
- a person chosen by the Minister; and
- a person nominated by a body that, in the opinion of the Minister, represents Victorian employers in relation to all classes of plumbing work; and
- a person nominated by a body that, in the opinion of the Minister, represents air-conditioning contractors in Victoria; and
- a person nominated by a body that, in the opinion of the Minister, represents fire protection contractors in Victoria; and
- up to 3 people nominated by any body or bodies that, in the opinion of the Minister, represents the industrial interests of employee plumbers; and
- a person chosen by the Minister to represent the interests of consumers.

The Council members are currently representatives of:

- Master Plumbers and Mechanical Services Association of Australia (MPMSAA)
- Air conditioning and Mechanical Contractors Association of Victoria Ltd
- Communications, Electrical and Plumbing Union (CEPU)
- National Fire Industry Association (NFIA)
- Cbus Superannuation
- Skills Victoria
- City West Water
- Energy Safe Victoria