

27 February 2015

Mutual recognition scheme study  
Productivity Commission  
Locked Bag 2  
COLLINS STREET EAST VIC 8003

## Introduction

Energy Safe Victoria (ESV) is a self-funding statutory body responsible for the safety of electricity and gas infrastructure, electrical and gas equipment, and licensing of electricians in Victoria.

ESV administers, among other things, the requirements of the Electricity Safety Act 1998, Gas Safety Act 1997, Energy Safe Victoria Act 2005 and subordinate regulations.

The TTMRA and Mutual Recognition Act (MRA) impact on both our licensing and equipment certification activities and can affect the safety of electrical works and gas/electrical installations. In addition, automatic mutual recognition (AMR) may impact ESV revenue.

ESV acknowledges the need for mutual recognition as it currently operates and does not support a major revision or removal of the schemes. There are, however, opportunities for improvements to the schemes and application of the schemes. I provide the following comments to deal with each of ESV's functions separately:

## Gas equipment

The MRA facilitates the sale of gas appliances across Australia. Gas appliances are subjected to a permanent exemption from the TTMRA because of the difference between Australia and New Zealand gas (gas quality and pressures ect.).

Question 13 and 14 discuss the special exemption process and whether the 12 month renewal process is too onerous and discourages expansion of the TTMRA. Gas appliances were previously covered as a special exemption but moved to a permanent exemption in 2010 along with all the other special exemptions. ESV is of the view that the permanent exemption of gas appliances should remain in place as a result of the differences.

Within Australia, Queensland Gas Association (QGA) certified appliances are an example of products that may be legal to sell under MRA but not legal to install in Victoria. This is because the QGA certification body has not been accepted by Victoria as a certifier therefore the products may be sold in Victoria but cannot be installed. Acceptance of a certifier is granted after ESV has established that the certification body has processes that ensure products are certified correctly. Incorrectly certified products can be dangerous.

## **Electrical equipment**

For many years, electrical equipment certified in one state can be sold in all states under state legislation without reliance on the MRA.

Through the Electrical Regulators Authorities Council (ERAC) all states and territories are working to establish a national Electrical Equipment Safety Scheme (EESS). EESS will ensure that all suppliers of electrical equipment register as a supplier, are aware of their compliance responsibilities and must register? all the models they intend to supply and where required, submit product certification documentation. For more detail visit [http://www.erac.gov.au/index.php?option=com\\_content&view=article&id=102&Itemid=551](http://www.erac.gov.au/index.php?option=com_content&view=article&id=102&Itemid=551) This scheme is mandatory in some states and is slowly being implemented nationally.

**Recommendation:** The PC urges all states to adopt EESS

## **Licensing and registration of electrical workers**

The TTMRA has very little impact on ESV as most Trans-Tasman electrical workers coming to Victoria are line-workers, Victoria does not licence line-workers. 'Electricians' from New Zealand apply using the TTMRA and are assessed using a set of ERAC agreed training and assessment criteria.

To obtain an Electrician's licence in Victoria a person must complete a Certificate III in Electrotechnology, complete a four year contract of training as an electrician (apprenticeship) and the Licensed Electrical Assessment (LEA) administered by ESV. The requirement to complete the LEA as an independently administered exam is unique to Victoria and is designed to ensure all applicants for a licence are competent and can work safely.

On 1 December 2014, New South Wales (NSW) introduced AMR for east coast electricians and some contractors. This means that a person holding a current Victorian electrician's licence that does not reside in NSW can carry out work within the scope of the NSW equivalent licence without applying to NSW.

The Victorian Electricity Safety (Registration and Licensing) Regulations 2010, under Regulation 30 allows a person not residing in Victoria with a current interstate electrical licence to carry out the work of an electrician (A Grade) in Victoria after notifying ESV. While working in Victoria, the person is required to comply with the Victorian Electricity Safety Act and regulations, including certification of work and issuing of Certificates of Electrical Safety (COES). The person is also subject to the Victorian compliance and enforcement regime.

A person moving to live in Victoria must apply for a Victorian licence under Mutual Recognition.

A scenario can exist where an interstate electrician not residing in Victoria can work in Victoria by simply notifying ESV under AMR. The same person then moves to Victoria and applies for a Victorian licence which requires the person to submit evidence of how their interstate licence was obtained. If ESV is not satisfied that they have met similar requirements to Victorian applicants including a LEA equivalent, Certificate III and four year contract of training; a supervised worker's licence is issued, requiring them to be supervised when carrying out electrical installation work. This may be seen as contrary to the requirements of the MRA, but ensures the same level of competence as those that train and qualify in Victoria. This is permitted by section 20(5) of the Commonwealth Mutual Recognition Act 1992. This indicates that the ministerial declarations permitted by section 32 of the MRA may not adequately cover the diverse range of pathways used to obtaining a licence across jurisdictions.

**Recommendation:** Revise the Ministerial declarations to clearly indicate the type of conditions that can and will be applied to achieve equivalence.

### **Financial impact on Electrical Licensing**

An Electrician who resides outside Victoria that currently holds a Victorian electrician's licence gained under mutual recognition, and who only works in Victoria occasionally, may choose to rely on AMR and not renew their Victorian licence. This will result in a loss of revenue to ESV.

If all electricians holding a Victorian licence but residing in NSW, South Australia or Queensland choose not to renew their licences this would remove 2,670 licences and reduce revenue to ESV by approximately \$490,000 or approximately six per cent over the next five years.

There is a prestige attached to holding multiple licences and it avoids the need to explain the AMR process to customers for electricians. ESV estimates that 50 per cent of electricians will not renew their Victorian licences.

ESV is happy to make available staff or further information to assist the commission with the review.

Yours sincerely

Neil Fraser

**EXECUTIVE MANAGER**

**ELECTRICAL INSTALLATIONS, LICENSING AND EQUIPMENT SAFETY**