

# AIRAH response to RIS

Proposal for national licensing for refrigeration and air conditioning

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This submission on the National Licensing RIS is not confidential

## Introduction

AIRAH does not agree with the National Licensing model A (preferred option) as outlined in the consultation RIS. This model does not provide a single national licence as claimed but rather imposes two essentially duplicated occupational licence schemes - the NLA scheme and the ARCTick scheme. It does little to rationalise the existing contractor licence schemes.

There is no question that a single expanded ARCTick scheme is the occupational licence option favoured by the majority of the refrigeration and air conditioning industry. This option provides a single port of call, one provision of documentation, one license with endorsement.

AIRAH wishes to propose this expanded ARCTick model as an alternative to the National Licensing model A.

## Preferred Model

The AIRAH preferred model for licensing reform is “(iv) Other”.

The AIRAH preferred model consists of an occupational licence based on an expanded “ARCTick” scheme and a contractor license, for those states that wish to regulate at this level. It will be based on a harmonisation and rationalisation process of the existing requirements and a mutual recognition agreement between the states.

The consultation RIS is effectively proposing three licences: the existing ARCTick occupational licence, a new proposed NOLA occupational licence and a new proposed NOLA contractor licence. AIRAH strongly submits that the introduction of a second occupational licence is for all practical purposes “double regulating” individuals who work in the HVAC&R industry, and directly contradicts the stated aims of the COAG initiative on national licensing. The industry needs rationalisation of all occupational requirements into a single licence, not proliferation into multiple licences.

The only barrier to the expansion of the existing occupational licence system so that it can cover all the requirements of the HVAC&R industry is government administration and jurisdiction issues. AIRAH feels sure that these issues could be addressed if the government entities were instructed to address them.

### **The AIRAH model occupational licence**

The **Occupational licence** in the AIRAH model is based on an expansion/extension of the coverage of the existing Commonwealth “ARCTick” licence.

The industry will not accept two separate Commonwealth based occupational licences. This would mean adding an additional level of compliance to the existing arrangements; would be in direct conflict with the stated aims of the COAG National Licensing Steering Committee “to have a more efficient system”. AIRAH proposes maintaining a single national occupational licence scheme by expanding ARCTick to meet current industry requirements. This model would meet the COAG Steering Committee aims. AIRAH believes that the ARCTick extension model would provide the least cost/most benefit of any option.

The expanded ARCTick licensing scheme as proposed by AIRAH would need to include for:

- **Mandatory:** Working with ODPs and HFCs (existing ARCTick arrangements) – at two levels as is currently administered under the existing scheme, (Certificate II and Certificate III).
- **Mandatory:** Restricted plumbing and electrical licences- restricted electrical with fault-finding endorsement necessary to fault find, disconnect and reconnect air conditioning and refrigeration systems from water and electrical supplies.
- **Voluntary:** Working with natural refrigerants (including ammonia, carbon dioxide and hydrocarbons), new low-GWP synthetic refrigerants and new blends of existing HFC refrigerants. Competency requirements would be based on the new units for natural refrigerants developed by EE-OZ.
- **Voluntary:** Working with large commercial and industrial refrigeration – Competency requirements based on the industry endorsed codes of practice for large commercial and industrial refrigeration.

Having these requirements in place would ensure that there is an occupational licence category available to cover safe working with any substance that is used as a refrigerant in a refrigeration vapour compression system. All licence holders would be required to meet the mandatory competency requirements for working with ODPs and HFCs to meet the Australian government international commitments under Montreal and Kyoto. All licence holders would be required to meet the mandatory competency requirements for working with restricted plumbing and electrical licences. Meeting the competency requirements for working with natural refrigerants and working with large commercial and industrial refrigeration would be voluntary and need only be held by those licensees who wish to undertake this type of refrigeration work.

It should be noted that the current ARCTick licence does not cover natural refrigerants or new low GWP synthetic refrigerants. These refrigerants all have some level of safety hazard associated with them (toxicity, flammability or high pressures) and the competency of persons working with these substances needs to be proven. Full details of the licence classes and their coverage should be agreed by the industry and could be based on readily available refrigerant classifications (ODP, GWP,

flammability, toxicity) as well as the “system” size and application risks. The Danish licensing system is constructed in this way and could be used as a model for an expanded ARctick licensing scheme.

#### **The Danish licensing model:**

**Two** groups of refrigerants; Group 1 – NH<sub>3</sub> and HC and Group 2 – HFC, HCFC, CO<sub>2</sub>

**Two** levels of system size; less than 50kg refrigerant charge or over 50kg refrigerant charge

**Four** classes of refrigeration licence

- Class A – plants with less than 50kg refrigerant Group 2
- Class B – plants with more than 50kg refrigerant Group 2
- Class C – plants with less than 50kg refrigerant Group 1
- Class D – plants with more than 50kg refrigerant Group 1

All classes of licenses would require minimum Cert III and carry the restricted electrical with fault finding endorsement

AIRAH believes that an expanded ARctick licensing system as proposed would guarantee a mobile, skilled and appropriately licensed HVAC&R technical workforce at the least cost to industry and government.

#### **Administrator of the National occupational level licence**

AIRAH proposes that the Australian Refrigeration Council (ARC) continues to administer the expanded ARctick licence scheme.

#### **The AIRAH model contractor licence**

Some jurisdictions also regulate the HVAC&R industry at the contractor or business level.

The **Contractor or Business licence** in the AIRAH model is based on the current requirements of the state administrations that regulate in this area. There would need to be some simplification of the requirements so that the technical skills and competencies covered by the expanded ARctick licence are removed. There would also need to be a state regulator commitment to harmonisation across the compliance requirements of the individual state systems so that the non-technical business skills, personal and financial probity elements and consumer protection provisions of the existing state systems are harmonised across jurisdictions.

Once the individual state systems have been harmonised to the greatest extent practicable, a mutual recognition agreement should then be put in place so that each state-based contractor or business licence is recognised in all other jurisdictions that regulate this area.

The consultation RIS is proposing a new contractor level licence to replace existing state based requirements. However, many states and territories do not regulate in this area, so all that the consultation RIS-preferred proposal will be achieving is a duplication of the existing system. AIRAH believes it would be better if the existing systems were to be rationalised and harmonised, and this could best be achieved by the three states involved in regulation. AIRAH believes that the rationalised, harmonised and mutual recognition model for the contractor or business-level licence would provide the least cost/most benefit of any option.

### **Administrator of the state-based contractor level licence**

AIRAH proposes that the state-based contractor level licence scheme would be administered by the individual state jurisdictions but with an overview and national register maintained by the National Licensing Authority.

### **Role of the National Licensing Authority**

AIRAH proposes that the National Licensing Authority would have the following important roles within the AIRAH licensing model:

- Support the Australian Refrigeration Council expand the existing ARCTick licence scheme to evolve into a national occupational licensing system that covers safe working practices involving all substances used as a refrigerant in a refrigeration vapour compression system.
- Drive a project to harmonise the existing state based contractor level licensing and then oversee and coordinate the documentation of the rationalised and harmonised requirements for the states that wish to regulate.
- Lead a project to develop a mutual recognition agreement for all states that wish to regulate/licence at the contractor level.
- Maintain a national register of all licences issued under both the occupational or contractor level licensing schemes. The national register should maintain records of non-compliance and the like for both contractors and individuals.

Some of these roles will be challenging because state jurisdictions struggle to rationalise and harmonise the existing systems.

### **Refrigerant coverage**

AIRAH agrees the refrigerants listed in the RIS should be included as prescribed substances under national licensing, with the possible exclusion of water. There are other refrigerants including hydrocarbons and hydrofluoro-olefins (HFOs), that need to be included and allowed for under any licensing regime. A licence should be required for work in relation to all systems that use a “prescribed substance” as a refrigerant. It would be better to define them as “any substance used as a refrigerant in a refrigeration vapour compression or absorption system”. The expanded ARCTick scheme as proposed should cover all of these refrigerants.

### **Proposed skills-based eligibility requirements**

The proposed skills-based eligibility requirements for the *Refrigeration and air-conditioning licence category* are appropriate. However, the proposed skills-based eligibility requirements for the *Restricted refrigeration and air-conditioning (heat pump and split system) licence* is not appropriate because it includes replacing, repairing, altering and maintaining heat pumps and split systems. The current *ARCTick split system heat pump licence* and required Certificate II qualification does not cover this work; they only cover installation, commissioning and decommissioning. This work would require a full or restricted electrical licence, which can only be gained by those with a relevant Certificate III qualification.

For the Restricted refrigeration and air conditioning (heat pump and split system) licence, the listed qualifications do not cover replacing, repairing, altering and maintaining heat pumps and split systems, and neither does the current ARCTick split system heat pump licence. They specifically

exclude any electrical work. They only cover the installation, commissioning and decommissioning. This work would require a full or restricted electrical licence, which can only be gained by those with a relevant Certificate III qualification.

### **Skills maintenance (continuing professional development)**

The AIRAH view on skills maintenance and continuing professional development is very strongly in favour of licensing systems requiring licensees to respond to changes in practice and legislation, and updates to standards and codes. This would enrich their knowledge and skills and encourage the adoption of new work practices. The air conditioning and refrigeration industry has been going through significant changes over the last 15 years and it will continue to do so as energy efficiency drives new technologies.

Skills maintenance (or continuing professional development) aims to manage consumer and safety risks by providing a competent workforce of professionals who are up-to-date in their skills, knowledge and practices. There are significant implications if licensees are allowed to de-skill to such an extent that safety, performance and sustainability are compromised.

Any licensing scheme must include minimum mandatory requirements to ensure that licensees maintain their skills and knowledge through continuing professional development.

**End of AIRAH submission on National Licensing**