

DRAFT SECOND READING SPEECH

HON. ADAM BROOKS MP

Occupational Licensing Amendment Bill 2016

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Madam Speaker

The building sector is vital not only in terms of the economy but also in providing safe and healthy environments for people to live, work and invest in our State.

A robust and responsive practitioner accreditation system is a key plank for ensuring that we have a highly effective and productive workforce that has the appropriate skills, good character and knowledge of current standards to work in the industry.

Tasmania adopted a process of accreditation of Building Practitioners in 2004 under the Building Act 2000. In addition, through the Occupational Licensing regime, we also licence contractors and practitioners in the identified higher risk occupations of Electricians, Plumbers and Gasfitters.

This provides Tasmanians with the confidence to know that they are dealing with qualified tradespeople who meet a minimum standard of competency. This certainty is enhanced via continuing professional development, which ensures that practitioners continue to develop their skills and keep their knowledge up to date.

The purpose of this Bill is to amend the Occupational Licensing Act to provide a consistent approach to licensing for all practitioners in higher risk occupations related to the building and construction industry.

This Amendment Bill is part of a package of legislation I am bringing forward resulting from the Building Regulatory Framework Review initiated in 2014.

This package is part of the government's comprehensive reform package to reduce red tape by reducing the overlap and duplication of regulation. This also includes the complementary reforms that we have underway to streamline the planning approvals process.

Madam Speaker, the broader legislative package we are bringing forward in addition to this Bill will make it fairer, faster, simpler and cheaper for Tasmanians to build on their properties without compromising safety or standards.

The changes will ensure that no longer will it cost more to gain approval to build a shed, than to build the actual shed. The approval process will be based on risk.

It is our intention that low risk buildings such as sheds and carports, constructed by a licensed builder, will not require the same approval process as an architect-designed two-storey residence.

We have introduced quick and cost effective mechanisms for resolving disputes concerning residential building work, which is the largest construction sector in the State with the highest number of stakeholders and participants.

Good quality contracts and variations in writing will reduce the number of disputes arising, but where disputes do occur, resolution will be fast, inexpensive and accessible to both consumers and builders, with minimal intrusion from government.

Home owners will be able to lodge a dispute regarding defects or unsatisfactory workmanship, incomplete work, or other breaches of a building contract and have their claims assessed by an independent decision maker.

Madam Speaker, I will now turn to the contents of the Bill before us which is part of the reform package I am bringing forward.

Building practitioners will now be licensed under the *Occupational Licensing Act 2005*, which will provide a consistent approach to licensing of all higher-risk occupations connected with the Building and Construction Industry. Electricians, plumbers and gas fitters are already licensed under this Act.

One system for all applications and renewals of licensed practitioners is effective and reduces costs. Since 2004, building practitioners including builders, designers, architects, engineers and building surveyors, have been accredited under the Building Act 2000, whilst electricians, plumbers, gas-fitters and automotive gas-fitters have been licensed under the Occupational Licensing Act 2005.

This has resulted in unnecessary duplication of administrative processes and an inconsistent approach to continuing professional development, audit and compliance regimes.

This amendment Bill seeks to remove the accreditation of building practitioners from the Building Act – leaving the Building Act to simply guide the processes of building – and instead, introduce licensing of building practitioners under the Occupational Licensing Act 2005.

To achieve this, and to ensure that we have maintained the integrity of the existing licensing regime for other occupations, we are introducing the concept of a *building services provider*, to include all practitioners formerly accredited under the Building Act.

The framework around licensing of building services providers remains exactly the same – applicants will still go through the same process, and have the same rights of appeal if an application is rejected.

However, Madam Speaker, we can now also extend the licensing system to allow corporations or partnerships that provide building services to apply for a licence, rather than natural persons only. In order for a corporation to be granted a building services licence, there must be at least one Director within the company who is a licensed building services provider of the appropriate class. Partnerships must have at least one appropriately licensed partner in order to apply to be a licensed entity.

This new arrangement allows us to put responsibility firmly where it belongs – with those who determine the way business is carried out.

Currently, the Building Act only allows accreditation of natural persons. A company or partnership that provides building services can sign a contract if they employ an accredited builder, however it is that person alone who is held to be responsible for the standards of the work.

That may be a very onerous responsibility to place on the shoulders of an employee.

Therefore, by now providing for corporations and partnerships to become “licensed entities” for building work, we are ensuring that the persons who own or have the responsibility for the management of those businesses are also fully complying with relevant legislation.

Madam Speaker, there are many highly professional individuals and companies working in the building and construction industry, but if practitioners are not working to the required standard, it is important for the reputation and productivity of the industry as a whole to have an appropriate compliance framework in place, which includes a range of suitable sanctions that can be applied.

The inclusion of building service providers in the *Occupational Licensing Act* will provide for the same range of sanctions for these occupations that applies to others in the building and construction sector. This includes measures which can be used to address poor performance, poor conduct, and perceived gaps in knowledge, where an appropriate sanction may be a direction to attend a particular training session as part of continuing professional development. Demerit points may also be used as a deterrent, and fines, licence suspension and cancellation are still available when other measures are deemed insufficient or have failed.

The penalties associated with offences under the Act are unchanged. In some cases this may mean building services providers might be subject to less onerous maximum penalties than was the case for similar offences under the Building Act 2000, but these practitioners will now need to observe a greater number of legislative requirements to ensure that they are operating in line with community expectations. The penalties for these offences, already in place for those occupations currently licensed under the Occupational Licensing Act 2005, are appropriately scaled to match the risk to public health and safety of each offence.

This allows us to continue developing a highly skilled and high-performing workforce that can meet the needs of Tasmania's growth agenda.

Another sub-category of building services provider that will be licensed under the amendments to the *Occupational Licensing Act* is the Owner Builder.

Madam Speaker, owner builders are people who want to build a residence for their own use and have the skills to do so. Therefore we are tightening the restrictions on owner builder registration to ensure that it can only be used for residential properties.

Owner builders must still complete an owner builder course, and will only be permitted to build two projects in a ten year period – again to differentiate this class of builder from commercial builders. An owner builder permit will be required for each project undertaken by an owner builder.

By introducing an owner builder permit for each individual building project, we will have better oversight over whether an owner builder continues to be a fit and proper person to have this responsibility. It also prevents persons in the business of building, through improving and selling existing buildings, from pretending to be an owner builder.

Currently, owner builder registration allows that owner to keep performing building work on the same building on their property. The owner builder can continue extending the same building they built without having to apply again for registration.

Madam Speaker, this Bill has been widely consulted on and is strongly supported by industry stakeholders. It has also been scrutinised by the four Reference Groups established to guide the reform process during Building Framework Review.

Madam Speaker, the Occupational Licensing Amendment Bill 2016 will provide a single, consistent approach to licensing, compliance and enforcement for those who provide building services and work in other regulated occupations.

I commend the Bill to the House.