

## **Interim report on building a skilled and adaptable workforce**

To the Productivity Commission team,

The Australian Institute of Refrigeration, Air Conditioning and Heating (AIRAH) thanks the Productivity Commission (PC) for the opportunity to respond to the interim report on building a skilled and adaptable workforce. Our response focuses on draft recommendation 3.1: Remove excessive occupational entry regulations that offer limited benefits.

AIRAH is a long-standing and respected voice in the building and construction industry, specifically in the area of heating, air conditioning, ventilation and refrigeration (HVAC&R) and building services. Established in 1920, we have represented the industry for more than 100 years. We have a direct membership of around 4,000 professionals, and reach to more than 25,000 industry participants, including engineers, trades, educators, students, manufacturers, regulators, business leaders, and other industry experts.

One area in which we have been particularly active over the past two years is working with government at state and territory level to support the development of effective occupational licensing regimes. We focus on mechanical services trades, especially those working on air conditioning and refrigeration systems.

Based on this knowledge of the industry and our experience with licensing frameworks, AIRAH strongly disagrees with the proposal to reduce occupational entry regulations for air conditioning and refrigeration technicians in NSW. The entry-level requirement for this work is a Certificate III in Air Conditioning and Refrigeration, which provides the minimum competencies to work on these kinds of systems.

Reducing the minimum entry requirements for air conditioning and refrigeration mechanics would create risks to consumers, workers, and the environment.

Having minimum entry requirements for trades ensures that work is done to a standard that protects consumers. The interim report notes that there is no evidence of poorer quality outcomes when associated trades perform refrigeration and air conditioning work. That is not the experience of those in the industry. Accounts abound of fully qualified technicians being called out to fix poor quality HVAC&R installations performed by Certificate II level trades. In the absence of hard data from regulators on the quality of installations done by differently qualified air conditioning and refrigeration trades – data that AIRAH would, incidentally, welcome – the on-the-ground feedback is that the introduction of Certificate II workers has weakened the HVAC&R sector, and the outcome has actually been to create a less skilled workforce.

It also worth noting that the Certificate II course only enables people to install, commission and decommission single head, split air conditioning systems to a prescribed routine where the maximum plant capacity for each system does not exceed 18kW. The qualification does not cover any maintenance activities, nor does it allow people to work on the vast majority of

refrigeration and air conditioning systems. Although many think of air conditioning and refrigeration in domestic settings, that is only one small part of the sector. HVAC&R also covers the complex CO<sub>2</sub> systems employed in supermarkets, large chiller plants in high-rise buildings, data centres cooling, hospital HVAC&R systems, industrial process heating and cooling, and more.

Workers will face increased WH&S risks if requirements are lowered. As part of Australia's commitment to the Montreal Protocol, we are rapidly transitioning to alternative refrigerants with lower global warming potential but other safety risks, including flammability, toxicity, and high pressure. Without requiring proper training in the management of these refrigerants, we will endanger both workers and end users.

There is also an increased impact on the environment if HVAC&R systems are not installed, commissioned and maintained properly. In Australia, air conditioning and refrigeration uses more than 24 per cent of the country's electricity and is responsible for around 11% of our greenhouse gas emissions. If we are to meet our emissions reduction commitments, we must ensure our building systems operate efficiently. This means our HVAC& systems must be installed, commissioned and maintained by competent technicians.

Finally, in line with the PC's recommendations in other areas, we would note that lowering the entry requirements for occupational licenses would create a lack of alignment with the existing national ARCTick licensing system.

For these reasons, AIRAH strongly opposes the lowering of occupational entry requirements.

If you would like to discuss any of the above points in more detail, we would be very happy to arrange a meeting.

Best regards,

Mark Vender  
AIRAH Advocacy and Policy Manager