

November 14,2022



The New South Wales government is implementing a new licensing class for mechanical services and medical gases.

On October 1, the medical gases component of this system commenced:

<https://www.fairtrading.nsw.gov.au/trades-and-businesses/licensing-and-qualifications/medical-gas-licensing>

The broader mechanical services licence is due to commence on March 1, 2023. As detailed below, there are a number of features of this licence that may impact our members.

AIRAH, along with other industry bodies, has been supporting NSW Fair Trading to clarify the scope of work and is calling for further discussions.

At the same time, AIRAH is preparing communications for members of parliament to highlight our concerns and make our position clear.

AIRAH also invites members to contact us if they would be willing to participate in future meetings with the NSW government or provide information for future submissions.

Background

AIRAH first became aware of the new licence in July 2022, when the NSW government sought assistance in communicating the change to potential licencees. Although the bill underpinning the new licence – *the Building Amendment (Mechanical Services and Medical Gas Work) Bill* – was passed in June 2020, this was the first time the HVAC&R industry had been made aware of it.

Investigation revealed that the changes were primarily driven by the need to regulate the installation and maintenance of medical gas systems. This was a response to two separate tragic incidents in 2016 that saw two newborn babies administered nitrous oxide rather than oxygen due to the incorrect installation of a medical gas system.

It is not clear why the scope was extended to cover all mechanical systems in all buildings, but the changes were subsequently agreed to by parliament and passed without consulting the HVAC&R industry.

The result has been amendments to the *Home Building Act* that are alarmingly broad and open to interpretation. As the Act now stands, *mechanical services* work means:

“the construction, installation, replacement, repair, alteration, maintenance, testing or commissioning of a mechanical heating, cooling or ventilation system in a building, which is associated with the heating, cooling or ventilation of that building” ...

Additionally, the qualifications for the mechanical services licence are a Certificate III in Plumbing (Mechanical Services). These qualifications are included in the Act, rather than gazetted separately, as is usually the case.

AIRAH response

AIRAH and other industry groups immediately flagged these flaws with ministers on both sides of parliament. We also noted the overlap with the existing air conditioning and refrigeration licence.

At the time, our efforts were on two fronts: directly with parliament, to amend the Act; and with Fair Trading through weekly meetings, to ensure that their compliance team interpreted the Act in a way that could be workable for industry.

In September, parliament amended the Act. The implementation date was also pushed back to March 1, 2023. However, the problematic regulations remained.

More workshops were organised with the Fair Trading compliance team to go through a detailed scope of work for both the air conditioning and refrigeration licence and the new mechanical services licence. Despite some positive dialogue, we have not been able to reach an agreement on key points.

Although we are waiting for final confirmation of the scopes of work, at this stage Fair Trading's position is that the selection, installation, maintenance and alteration of pipework on chilled water, hot water and condenser water air conditioning systems is mechanical services work. That is, only the holder of a mechanical services licence will be able to do this work.

Next steps

AIRAH and other industry bodies involved in the workshops with Fair Trading have made our position clear – that work on hydronic HVAC&R systems is the domain of air conditioning and refrigeration technicians. So far, they have disregarded our advice. The new licence is also set to impact the water treatment industry, as again, all water pipework will fall under mechanical services.

AIRAH, along with other industry bodies, is calling for further workshops with Fair Trading to clarify the scope of work.

At the same time, AIRAH is preparing communications for members of parliament to highlight our concerns and make our position clear.

What can AIRAH members do?

We strongly encourage companies and individuals who will be affected by the new licensing system to contact their local members of parliament, indicating the impact the new licence will have on employment, livelihood and costs for clients.

AIRAH also invites members to contact us if they would be willing to participate in future meetings with the NSW government or provide information for future submissions via advocacy@airah.org.au