

## **Submission to Senate Redtape Committee on the Effect of red tape on occupational licensing**

### **Introduction**

This submission is put forward on behalf of the Australian Environmental Pest Managers Association (AEPMA). AEPMA is the peak body representing the commercial pest management industry in Australia.

Our submission is related only to the first 2 terms of reference for your committee.

1. the effects on compliance costs (in hours and money), economic output, employment and government revenue;
2. any specific areas of red tape that are particularly burdensome, complex, redundant or duplicated across jurisdictions;

Our submission provides qualitative assessments of the costs imposed by the divergence in occupational and licensing requirements by the different jurisdictions.

The industry cannot provide full details on specific costs and economic impacts. Part of the reason for this is their not a large amount of official data collection on the industry. The last ABS survey of the industry was in 1987 – 88. AEPMA commissioned its own independent analysis of the economic contribution of the industry and those statistics were for 2012. The major conclusions were that:

- households were then spending \$440 million per year on our services;
- total value of output from the industry was \$1.5 billion per year;
- the value added from the industry was over \$1 billion a year – which was the same size as the domestic gas industry that year; and
- demand for our services will increase in the future especially for countering termite damage as an analysis of various studies showed that the potential damage for the existing building stock at that time and in \$2012 would be of the order of \$13.6 billion. This is only one of the problem areas we have to do deal with as there are many other problem areas relating to biosecurity and public health.

There is concurrently a review by the Agvet Chemical Task Group (ACTG) on National Harmonisation of Minimum Training and Licensing Requirements for Occupational (fee for service) users of Agvet chemicals. This submission is based upon the examples provided to ACTG.

The industry encompasses a broad range of pest management activities – both plant and animal, urban and rural. The broad range of activities requires different skill sets for many different activities. Our submission to the ACTG provides details on the different training requirements for the different pest management activities. A copy of our submission to ACTG is attached.

Our concerns for your committee relate to the adverse impacts from the different licensing requirements amongst the States and Territories.

In principle, industry supports the harmonisation of licensing requirements. The pest management industry operates both locally and nationally.

## **Business registration**

For the pest management industry, it is essential that a national scheme for business registration in our industry is implemented. All jurisdictions require the licensing of pest technicians but many do not require licensing of the businesses that employ them.

There are divergences in the duration of licenses and the costs amongst the different jurisdictions.

Business registration would improve transparency and accountability to consumers for all pest management work undertaken for them. Currently with only technician registration, many consumers are unable to contact the technician for issues such as follow-up work, advice and servicing after the expiration of the effectiveness of various chemical treatments. Business registration would improve the recordkeeping, contact points and ensure effective service to consumers. This would provide efficiency dividends to the economy in reducing transaction costs, reducing future service costs as there would be appropriate information databases and provide greater accountability. Industry supports the move to a national framework for licensing, accreditation and training requirements. The benefits to industry of a national system include:-

- Reductions in risk;
- Improved industry productivity;
- Efficient use of chemical products;
- Uniformity and consistency;
- Improved clarity with reduced confusion regarding training, experience and professionalism.

It is on the basis of the above criteria that the pest control industry believes any proposed changes should be judged.

### Case study: Inconsistency of regulatory arrangements for pest management technicians between NSW and Queensland

There is no national pest control technician license in Australia. All the States and Territories have different license requirements and regulations. The fees for licenses are different. The duration of licenses varies with some states allowing annual or multiyear licenses whereas others have fixed time period licenses.

As an example the different requirements between the 2 adjoining states of NSW and Queensland in NSW is demonstrated.

In NSW pest management technician license need to have obtained the technical competencies of Units 5, 6 & 18 from Asset Maintenance in Pest Management Technical. This license allows the technician to undertake general pest control and also termite & timber pest management.

NSW has a fee of \$196 and the license lasts for 5 years and there is a renewal fee of \$153 for 5 years. License duration is for 5 years

Whereas in Queensland a technician needs to have completed Units 5, 6 & 18 and Units 8 & 10 of the technical curriculum. The Pest Management license is endorsed with the words “including timber pests”.

Queensland allows different periods of duration of the license initially and on renewal. Details are shown in Table 1

**Table 1: Application and license fees for pest technicians Queensland (\$)**

	Application fee	Renewal fee
1 year	287.00	157.00
2 years	443.50	314.50
3 years	600.50	471.00
4 years	757.00	628.00
5 years	914.50	785.00

However this does not mean that the licensed technician can undertake all the work that they have been trained for in that field. The Queensland government then states that they need an additional license, which is paid for separately and state “For technicians that hold their Pest Management including Timber Pest license and wish to undertake timber pest and/or termite management they need to hold a QBCC Contractor license.”

This license allows already licensed pest technicians to undertake the following work:

- Termite Management - Chemical - a chemical License is required to carry out pre-construction chemical work for new constructions, also to inspect or investigate an existing building and give advice or a report concerning a termite infestation or termite management systems for the building.
- Termite Management - Physical - a physical License is required if installing a particular material or system designed to prevent termite infestations. Also if inspecting or investigating a completed building and provide advice or a report about the use of the particular material or system for the building.

The cost of this license is dependent upon the revenues of the applicant. The lowest cost category is for applicants with a maximum revenue of up to \$200,000 per year. The application fee is currently \$623.40. This fee also includes one year of being licensed for the work. Unlike the pest technician license, renewals can only be for one year or 3 years. The rates are \$269.90 for one year and \$688.35 for 3 years.

NSW has lower fees and lower requirements than Queensland. However, a private standard has been developed that is the equivalent of the Queensland mandated standard. The major insurance company providing products for the pest management industry will only provide insurance cover to technicians for timber pest inspections and/or termite work, who have completed the additional units compulsorily required in Queensland

This case study demonstrates the significant divergences in occupational licensing between these 2 jurisdictions and divergences are repeated in different ways with all the other jurisdictions.

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A 2008 Productivity Commission Report identified variable regulatory requirements between jurisdictions as an impediment to business. Harmonisation of minimum training as being considered by ACTG does not address the fundamental problem, which is harmonisation of chemical usage between regulatory authorities. It is not hard to draw the conclusion that their changes proposed will only result in increased costs to industry with no benefits that a national harmonised system would bring. ACTG raised a number of questions on their proposals and industry responses are:-

10. *Do you support the adoption of the proposed national licensing model?*

AEPMA do not believe the proposed changes provide enough benefit to the concept of a national framework. Industry has continually supported national licensing and the proposed minimum training and harmonisation does not provide the benefits which could flow if a different model was used.

The pest management industry does not want to see increased license fees without some tangible benefits. Because of the diversity of skills and requirements for different categories of pests, the industry is proposing different categories of licenses to reflect the industry demand and supply structure. The different categories have different competencies required to effectively undertake the work.

Our proposed model is disaggregating licenses into the following categories, with appropriate competencies outlined in Attachment 1:-

- Urban Pest Management
- Rural Pest Management
- Vertebrate Animal Control
- Ground Spraying

Under the AEPMA proposal the Certificate III qualifications for technicians would enable the award of a license and mutual recognition by the jurisdictions of the technicians and complying businesses. Units of competency would be listed on the license to demonstrate an individual's capabilities.

Our proposal would also address State government concerns such as relate to urban pest management whereby difficult sites are separated for license conditions as they are 'high risk' and therefore require a higher level of understanding of potential problems and remedies e.g Fox eradication in Centennial Park Sydney.

AEPMA propose a 2 tier model of a minimum requirements license, to be determined by the jurisdictions, and a National (Aspirational) license which would allow firms to readily engage in business across all jurisdictions.

- Efficient use of chemical products.

AEPMA notes that a fuller review of off-label chemicals is to take place. However, we believe this should also be taken into account when considering minimum licensing and training requirements. There is still no consistency between jurisdictions in respect of regulations covering their use. Establishing the minimum training and licensing requirements is a quick fix. Using a risk management matrix, incorporating variables such as potency of the chemicals, impacts on human health, market access and environmental risks such as on non-target species, would allow better regulations and training more appropriate for a national industry, and together with harmonisation, would achieve a better outcome.

#### Case study: Ground Spraying

ACTG has put forward regulatory options for large-scale ground spraying activities. Industry has found that to meet there proposed regulation is not feasible. Control of plant pests, diseases and disorders is a specialised area requiring very high levels of expert knowledge. Industry has found at times that Department of Agriculture agronomists have not been able to easily or readily identify many of these pests, diseases and disorders. This is not a criticism as there are many different and unusual and sometimes new problems occurring. For example, the history of identification of fireblight, that can cause major damage to apple production, was only identified because a visiting New Zealand expert happened to be in Australia. Most of the work the industry undertakes for ground spraying involves much less knowledge such as for drainage ditch spraying.

#### **Occupational license issues**

ACTG also asked the following question.

11. *Are there improvements that could be made to the proposed national licensing model in the course of its implementation?*

The industry accepts the need for regulation because of the potential adverse impacts for the Australian economy but want an efficient and effective framework to minimise costs and deliver the necessary services for the benefit of public health, environmental values and economic values such as improved productivity and maintaining trade access. The industry believes the following changes could be used to improve the current proposal put forward by the ACTG:-

i) Introduction of National (Aspirational) License for Pest Controllers

This would enable industry to have a nationally consistent license. It would mean a better educated workforce and enable pest controllers to move between jurisdictions, reducing compliance costs and also possibly costs to consumers as there is a potentially greater supply of trained pest controllers for seasonal work and for peak periods. This could be introduced with the minimum licensing and would encourage better trained operators and improve productivity by allowing some technicians to move freely between states.

Industry is using the term National (Aspirational) License which would be recognised by regulatory authorities. The competencies would be agreed and an industry technician, who

has completed all the appropriate competencies, could qualify to receive a national license which would be recognised by all regulatory authorities.

If, or more likely when, there is a major biosecurity incursion, being able to bring in many additional resources such as skilled trained workers at early stages of the incursion will lead to a greater probability of eradicating the incursion. Depending upon the nature of the incursion, the savings to the Australian economy could be measured in the billions of dollars. The introduction and recognition of this National License would be a significant step in risk mitigation.

ii) Standardised License Period

We believe to reduce costs to industry, all licenses to fee for service providers should be standardised to three years as part of harmonisation.

iii) 21 Day Jurisdictional Guarantee on Licensing

Industry believes there should be a national time limit to register and allow mutual recognition of licenses. Part of the original reasoning for the recommendations of the Productivity Commission was to reduce costs to industry. Licensing technicians in different jurisdictions is expensive and time consuming. At least establishing a time framework will help control these costs.

As the proposed model, when implemented, will facilitate the automatic recognition of license holders across jurisdictional boundaries, a timeframe would assist all concerned.

iv) Competitive interstate License Fee should be implemented

Those operating in two states should not have to pay for a full license fee in each state to operate. Industry suggests a standard interstate license of \$100 per state plus the license fee of the state their business is domiciled in.

We also believe that registering of individual businesses should not be used as an excuse to increase costs. This should be a national fee and single technician businesses should have the fee absorbed in their individual license fee.

v) Primary Producers and Agricultural and veterinary chemicals

The 2008 Productivity Commission report on the regulation of chemicals and plastics identified variable regulatory licensing requirements of occupational users of agricultural and veterinary (Agvet) chemicals between jurisdictions as impediments to businesses operating across borders. The pest control industry operates in both the domestic and Agvet chemicals areas. The training framework shares many competencies.

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Simply levelling the playing field to the lowest common denominator i.e. lowest minimum licensing and training of all fee-for-service providers does not achieve improvements that a national framework should address.

- Risk Management. Inappropriate use of AgVet chemicals can cause significant losses to the individual businesses and to the industry generally. Exceeding maximum residue levels (MRLs) can cause trade restrictions and loss of markets

The following are examples:-

- In 2016 Cotton Australia reported that 20% of Australia's cotton crop has been damaged by spray drift. This represented an area of 60,000 hectares and a cost to the industry of around \$20 million dollars.
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- In 2017 a vineyard farmer in northern Victoria has been awarded \$7 million in damages for losses caused by a neighbour's negligent spraying.
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- The current exemption of primary producers from any oversight increases risk of residue breaches in the food chain with obvious risks to human health and market access. There is also no risk assessment as to why fee-for-service providers are more likely than primary producers to require minimum training and licensing. This lack of any risk management is a major shortcoming.

Our industry does not seek to impose additional formal regulations on the the farming sector, but does seek to have arrangements to minimise risks. If using the chemicals in commercial properties, primary producers should have the chemical and its application signed off by a competent person i.e. someone with expertise in the chemical and/or crop/pest being treated. Competent persons could include government and private sector agronomists who have met the expertise requirements. This could be extended to others involved in the industry such as people with the appropriate expertise working in rural supplies stores. As another alternative, primary producers should be encouraged to undertake appropriate training through outside providers such as their industry body, ChemCert, and that would allow them to develop the appropriate competencies to be able to approve their own usage. Industry accepts the rationale of not licensing primary producers but we believe this is a high-risk area for food security, the environment, productivity and efficiency. Without limiting an individual's right to use chemicals on his property, a properly evaluated proposal that confirms the appropriateness of chemicals and poisons used in a commercial environment if the individual is not adequately trained would result in better outcomes

## Recommendations

That the Senate Redtape Committee:

- accept that there are considerable and unwarranted Licensing compliance costs (both in licensing requirements and fee structures that do not add to community benefit) on the pest management industry as a result of different State and Territory government regulations;
- recommend mutual recognition of qualifications that have been harmonised through the introduction of National (Aspirational) license for pest management technicians;
- recommend that this National (Aspirational) license should have a standardised license period;
- recommend that there should be a 21 day guarantee by jurisdictions on providing the license to qualified pest management technicians from the different jurisdictions for working interstate;
- recommend a standard lower cost license fee for interstate registration in the jurisdictions be implemented; and
- recommend procedures that primary producers use to be required to competently use agricultural and veterinary chemicals.