

# Frequently Asked Questions

## Registration and licensing for trade subcontractors and employees

### Q. Why is registration of subcontractors and licensing of building employees being considered now?

- A.** The Government recently passed legislation to introduce a new registration and licensing scheme for trade subcontractors and employees.
- Registration or a licence will be required to perform building work prescribed in the building regulations.

### Q. What are the objectives of the new registration and licensing scheme?

- A.** The objectives of the new registration and licensing scheme are:
- there is greater accountability for non-compliant work
  - there is confidence that people who carry out or perform restricted work have adequate qualifications, skills and experience
  - incentives for skills formation in the building industry are improved (including completion of apprenticeships)
  - there is relative consistency between the approach taken to trade contractors and building trade employees so as not to create incentives for the replacement of employees by trade contractors, including the use of 'sham' contracting arrangements
  - the incidence of non-compliant building work is reduced.

### Q. When will the new scheme commence?

- A.** It is anticipated that the first regulations will be made by 1 September 2020 to coincide with the start of the relevant legislation. However, this date is subject to consultation with industry to ensure sufficient time is provided to plan and prepare for change.

### Q. How will people currently working in the building industry be transitioned into the new scheme?

- A.** To avoid creating a skills shortage or making it worse, provisional registration will be available to trade contractors and provisional licences will be available to employees from the start of the scheme.
- A provisional registration and licence will be a stepping stone to upskill to a full registration or licence.
  - Provisional registration and licensing requirements will be less onerous than those required for full registration and a full licence.
  - The details of requirements for registration and licensing will be prescribed following consultation and consideration in a Regulatory Impact Statement (RIS).

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## Q. What will happen after the new scheme is introduced?

**A.** A period of one year will be given after the start of the new scheme to apply for provisional registration or a provisional licence ('the application period').

- If a person applies during the application period they can continue working until their application is decided.
- The offences inserted into the *Building Act* will not apply to them during this period.
- If the applicant has the required qualifications, knowledge and/or experience they may also apply for a full registration or a full licence during the application period.

## Q. What will happen after the application period?

**A.** After the application period expires, new entrants who want to perform prescribed building work (who haven't applied for a registration or licence during the application period) will need to have full registration or a full employee licence.

- A provisional registration or a provisional employee licence will not be available.
- The offence provisions within the *Building Act* will begin.

## Q. How long will provisional registration or a provisional licence last?

**A.** Provisional registration and provisional licences will last for five years.

- During this period ('the qualification period'), provisional registration holders will need to upgrade to a full registration and employees will need to upgrade from provisional to full employee licences.

## Q. How can I get registered or licensed?

**A.** From the start of the new scheme, you will need to apply to the Victorian Building Authority to get registered or licensed.

- The process for applications for provisional registration and employee licenses has not yet been determined but is likely to be similar to current application processes for building practitioners.
- This includes allowing the Victorian Building Authority to request further information in relation to an application and allowing it to refuse the application if the information is not forthcoming in the time specified in the request.

## Q. What will be the criteria for provisional registration and a provisional licence?

**A.** Applicants will be required to have the prescribed knowledge or experience to carry out prescribed building work. This detail has not yet been determined and is now being considered.

## Q. What will be the criteria for full registration and a full licence?

**A.** Applicants will be required to have the prescribed qualifications, knowledge and/or experience to carry out prescribed building work. This detail has not yet been determined and is now being considered.

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## Q. Will all trades need to be registered and licensed at once?

- A.** No. Owing to the sheer number of unregulated trade subcontractors and employees potentially requiring registration or licensing, trades have been prioritised to deliver a staged transition to registration and licensing over a five-year period.

## Q. Which trade(s) will be considered first?

- A.** Carpentry work will be considered first.
- DELWP engaged with industry stakeholders, practitioners and the Victorian Building Authority to identify criteria that helped prioritise the scopes of work being considered for registration and licensing, based on the need and feasibility of each to be regulated.
  - The Minister for Planning has determined that carpentry will be the first scope of work to be considered for regulation, based on this criteria and stakeholder feedback.
  - The remaining trades will be gradually considered over a five-year period in accordance with a staged implementation plan (see below).

## Q. When will trades other than carpenters need to be registered or licensed?

- A.** Other trades will be considered for inclusion in the new registration and licensing scheme in accordance with a staged implementation plan. A copy of this plan is available below.

## Q. What is the difference between registration and an employee licence?

- A.** Both registration and the employee occupational licence give the right to physically perform prescribed work. But registration may also give the right or duty to perform certain business functions – for example, to contract for building work. An employee occupational licence does not relate to performing business-related functions.

## Q. What about apprentices and trainees?

- A.** There will be no offence if prescribed building work is performed by apprentices and trainees, provided the person is employed under a training contract to carry out the prescribed building work. The employer must be approved by the Victorian Registration and Qualifications Authority to employ that person under the training contract (as per section 5.5.7 of the *Education and Training Reform Act 2006*).

## Q. What happens now?

- A.** Regulatory options to implement the new registration and licensing schemes for carpentry work will be developed in consultation with industry, practitioners and other stakeholders.
- Details of consultation will be made available on the registration and licensing of building trades webpage on Engage Victoria: <https://engage.vic.gov.au/registration-and-licensing-building-trades>

## Q. What regulatory options will be considered?

- A.** Regulatory options will include options to:
- prescribe which carpentry work requires a registration or licence to perform
  - define who will need to be registered or licensed to perform this work

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- specify the requirements for registration and licensing.

## **Q. How can I find out more?**

**A.** Please go to the registration and licensing of building trades webpage on Engage Victoria: <https://engage.vic.gov.au/registration-and-licensing-building-trades> and/or email DELWP at [building.policy@delwp.vic.gov.au](mailto:building.policy@delwp.vic.gov.au)

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## Staged implementation plan

**Please note:** the first set of regulations will implement the new registration and licensing scheme for carpentry work (implementation stage 1). Implementation stages 2 to 5 will be subject to further regulation and, as a result, the implementation dates for these later stages are **indicative only**.

	1 Implementation Stage 1	2 Implementation Stage 2	3 Implementation Stage 3	4 Implementation Stage 4	5 Implementation Stage 5
Trade	<ul style="list-style-type: none"> <li>• Carpentry</li> </ul>	<ul style="list-style-type: none"> <li>• Bricklaying and block laying</li> <li>• Waterproofing</li> <li>• Wall and floor tiling</li> <li>• Concreters</li> <li>• Painters &amp; decorators</li> <li>• Insulation work</li> <li>• Plasterers</li> </ul>	<ul style="list-style-type: none"> <li>• Solid plasterers</li> <li>• Roof tiling</li> <li>• Glazier</li> <li>• Excavator and earthworks</li> <li>• Landscaping</li> <li>• Demolition work</li> </ul>	<ul style="list-style-type: none"> <li>• Floor finisher</li> <li>• Trades involved in swimming pool and spa building</li> <li>• Other minor building work regulated in Victoria</li> </ul>	<ul style="list-style-type: none"> <li>• Work already requiring a high-risk work licence under OHS Act</li> <li>• Scaffolding</li> <li>• Rigging</li> <li>• Steel fixer</li> <li>• Dogger</li> <li>• Crane operator</li> </ul>
Application period *	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026
Provisional registration/ licensing period <sup>#</sup>	2022-2027	2023-2028	2024-2029	2025-2030	2026-2031
Last date for provisional registration / licences to transition to full licences / registration	2027	2028	2029	2030	2031

\***Application period:** A period of one year, after the commencement date for each implementation stage, will be given to apply for provisional registration or a provisional licence. If a person applies during this period they can continue working until their application is decided.

\***Provisional registration/licensing period:** A provisional registration or licence is a stepping stone to upskill to a full registration or licence. Provisionally registered trade contractors and provisionally licensed employees are expected to upgrade to full registration or a full licence within 5 years. After expiration of 5 years, a full registration or licence is required to carry out the restricted building work.