

National Competition Policy Analysis 2025

- Interim Report

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Master Electricians Australia (MEA) is a peak industry association representing electrical contractors and is recognised by industry, government and the community as a leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

MEA welcomes the opportunity to contribute to the Productivity Commission's interim report on Australian Standards and occupational licensing reform.

We commend the Government's pre-election commitment to reforming occupational licensing in the electrical sector, a vital step toward enhancing workforce mobility, directing skilled labour to where demand is greatest, boosting productivity, and increasing labour market competitiveness.

In addition, in collaboration with Standards Australia organisation and industry stakeholders, MEA calls on the Australian Government, to fund free access to legislated Australian Standards. Where compliance with a standard is a legal requirement, access to it should not be restricted by cost, both to ensure equity for businesses and to uphold safety standards across the industry.

Finally, we also urge the Productivity Commission to recognise the importance of retaining the current process for implementing Australian Standards in the electrical industry. Automatic adoption of international standards would present unacceptable risks in a high-risk industry such as ours. Any adoption must follow rigorous technical review and industry consultation to ensure that safety and quality are never compromised.

Standards

International and Overseas Standards

The PC is seeking specific examples of Australian legislation where international or overseas standards could be adopted or recognised as equivalent, including any information or data on the expected costs and benefits of alignment.

Adoption of International and Overseas Standards

MEA's technical team brings extensive expertise to the development of AS/NZS standards as an active member of the relevant technical committees.

Our response is specific to electrical standards.

When implementing an electrical Australian Standard, alignment with international standards is sought in the first instance, consistent with Government policy¹ and a Memorandum of Understanding (MoU) between the Australian Government and Standards Australia².

It is critical that we do not implement any automatic adoption of international and/or overseas standards for the electrical industry's Australian Standards for public and worker safety reasons.

Given the high-risk nature of the electrical industry, MEA supports maintaining the current standards development process, with adoption decisions based on full industry consultation and review by the national standards technical committee. International standards should only be adopted where they are demonstrably as robust as, or stronger than, Australia's existing benchmarks, including those relating to wiring, products such as batteries and EV charging, and building and construction, to ensure safety and quality are not compromised.

¹ Productivity Commission "National Competition Policy Analysis 2025 Interim Report" *Australian Government* [2025], p. 32.

² *Ibid*, p. 33.

As is current practice, international and overseas standards should always be reviewed to determine whether they are suitable, require modification, or should be outright rejected.

While Government has the absolute power to implement any standard into legislation, it is critical this process continues to involve expertised collaboration with Standards Australia before adoption. Undermining this process risks compromising Australia and New Zealand's unique electricity safety requirements.

Adoption of Standards by Australian Jurisdictions

Consistency of Australian Standards across all domestic jurisdictions is supported. We recognise it is a complex prospect, with each state and territory having legislated variations in standards and practices. Reaching agreement will require careful negotiation with governments and regulators to ensure safety and quality are maintained.

The most practical starting point is implementing national occupational licensing for high-risk occupations such as electrical tradespeople, to drive greater consistency and lay the groundwork for broader harmonisation over time.

Standardising metering and Distributed Network Service Provider (DNSP) requirements is a worthwhile practical reform to advance national consistency. Currently, these vary between states and, in some cases, even between regions within the same state depending on the DNSP. Aligning these standards nationally would improve efficiency for electrical workers, support a harmonised workforce, and reduce unnecessary administrative complexity.

Legislative Reference to Outdated Standards

MEA agrees that outdated standards referenced in legislation should be updated. However, consistent with our position above, this should not occur through automatic adoption of international or overseas standards. Instead, references should be updated to the most recent version, or, where the standard is redundant, referred to

the technical committee for advice. Legislative drafting advice could be sought as to whether it is feasible to incorporate an automatic reference to the most recent standard for new work.

Access to Standards

All Australian jurisdictions have incorporated multiple electrical Australian Standards into legislation and regulations, making it a legal requirement for electrical contractors to have access to the most current versions in order to perform their work lawfully. Unfortunately, access to these Standards comes at a significant cost direct to the end-user.

There are multiple consequences that flow from industry stakeholders being charged to access Australian Standards in accordance with these legal obligations, including:

- **Safety & Compliance** – A risk to the public that the highest standards of electrical safety are not implemented by some contractors who lack access to the Wiring Rules.
- **Financial Cost** – SMEs operate with limited resources and are increasingly challenged by rising industry costs and external pressures, including economic downturns, climate-related events, escalating insurance premiums, and the collapse of large construction companies. The added cost of accessing mandatory Australian Standards can be prohibitively high for many SMEs.
- **Piracy** - A proliferation of pirated copies of the Standards, potentially with out-of-date information, is likely to be occurring further jeopardising safety.

MEA is fortunate to have a purchase arrangement in place with a Standards distributor, and pays to provide access to the electrical Australian Standards to its members as part of membership. However not all electricians are members of MEA. While it provides an advantage to MEA in its membership offering, MEA advocates for outcomes that positively impact industry as a whole.

MEA, together with other industry leaders, recently participated in a significant meeting at Parliament House with Standards Australia, which led to the signing of a Memorandum of Understanding (MoU) between key industry leaders and Standards Australia. The agreed objectives include developing a joint proposal to the Australian Government to secure a funding model that will improve access to Australian Standards and remove direct user-pays costs for standards that construction workers are legally required to comply with.

We are optimistic about the future of this collaboration in advancing free access to Australian Standards. We call on all State, Territory, and Federal Governments to work in partnership with industry to ensure legislated Australian Standards are freely accessible to the construction industry, including the electrical sector, to support compliance with legal and regulatory obligations.

Licensing

National Occupational Licencing

The PC is seeking input and data on the potential impact on productivity from an increase in interstate labour mobility arising from occupational licensing reform.

The PC is also seeking data on the costs of complying with occupational licensing requirements when moving interstate, as compared with the cost of complying with other state regulatory requirements.

MEA supports the introduction of a National Occupational Licensing (NOL) eligibility scheme for high-risk occupations, including electrical, plumbing, mechanical, and fire protection.

The Problem

Australia is experiencing a critical electrical skills shortage, compounded by fragmented interstate licensing requirements that restrict labour mobility as electricians are prevented from moving quickly to where demand is greatest.

Electrical work is high-risk, making licensing essential to ensure only properly qualified individuals perform the work. With a national Certificate III qualification in place, there is no rationale for differing eligibility requirements across states and territories.

There are multiple “mobility” schemes (Mutual Recognition (MR), Automatic Mutual Recognition (AMR), and the East Coast Electricians Scheme (ECES)) seeking to address interstate workforce mobility, however they are highly fragmented and not working as intended, lacking cohesion and creating confusion. Licensed electrical workers may be uncertain about where they can work and under what conditions, and in jurisdictions where AMR or ECES do not apply, they face increased costs and administrative burdens.

These inconsistencies result in duplicated licence application and maintenance processes, delays to project mobilisation, lower standards of skill or experience for some electrical workers, and underutilisation of available labour.

MEA’s Position

We support a national licensing eligibility law for electrical workers, where all states and territories agree on one set of eligibility requirements for electrical licensing, while each jurisdiction retains control over administration, compliance, and enforcement. This model strikes the right balance between national consistency and local oversight, without compromising jurisdictional authority.

A single set of high-standard licensing requirements nationwide would streamline processes and improve safety and quality outcomes, particularly in jurisdictions where current standards are lower.

Unlike full national licensing (which centralises regulation and diminishes state autonomy), or AMR alone (which is limited by inconsistent entry standards), national eligibility rules with state-based governance would promote workforce mobility, uphold high standards of safety and quality, and respect the enforcement needs of each state and territory.

Productivity Benefits

A well-designed national occupational licensing eligibility scheme would be a powerful productivity tool. It would also require a review of licensing eligibility rules across Australia to find the highest and most suitable set of eligibility rules for all Australian electrical workers. This balanced approach would deliver a safe and efficient national licensing framework that balances worker mobility and safety.

Greater interstate mobility for licensed electrical workers under a NOL eligibility framework would deliver measurable productivity gains by:

- Enabling skilled employees to move freely between jurisdictions to take up higher-paid opportunities, improving wage-driven labour allocation.
- Allowing businesses to rapidly fill temporary workforce gaps with comfort that all workers have met the same eligibility requirements.
- Enabling workers to shift to areas with higher demand during local downturns.

Solution to Problems Under Existing Schemes

NOL eligibility offers a streamlined solution to the current fragmented interstate licensing system, where inconsistent CPD requirements, variable RTO assessment practices, and independent licence record-keeping undermines industry rigour and weakens regulatory oversight under AMR and ECES. These inconsistencies also accommodate 'shopping and hopping' and makes it harder to enforce compliance across jurisdictions. By replacing this fragmented regulatory environment with a single, nationally consistent eligibility framework, NOL would maintain high standards, strengthen training quality, and enable regulators to monitor and enforce compliance more effectively. This is further explained below.

1. *Introduction of Nationally Consistent CPD Requirements for Licensed Electrical Workers*

This would ensure electrical workers have current knowledge of all relevant

rules and regulations and maintain their knowledge and understanding of inspection and testing requirements. In addition, CPD would ensure electricians obtain requisite knowledge of new technologies impacting their work. MEA advocates for a framework whereby registered entities (not limited to RTOs) can deliver free and low-cost training modules with online options (with learning outcomes), and VR training for practical requirements, with annual review of mandatory topics to ensure up-to-date knowledge of regulatory changes, technological advancements and areas with highest defect rates.

2. *Improved Training and Licensing Alignment*

NOL should require that RTO assessment standards are directly tied to licensing requirements nationwide, with consistent auditing and enforcement. This would lift training quality across the board and ensure that new entrants are assessed against the same high standard, regardless of where they trained. This would also address the following concerns our members have raised:

1. ***Enhanced rigour in the qualification assessment process*** – MEA advocates for a national suite of learning and assessment resources be provided for use by RTOs. This will assist with more consistent training outcomes across Australia. MEA notes Energy Skills Australia has developed some resources which could be reviewed and considered by Powering Skills Organisation (the national jobs and skills council for the energy sector).
2. ***Higher Capstone rigour*** - In addition, to ensure rigour in the capstone assessment process and address the additional licence assessment process in Victoria (which we submit other jurisdictions may not wish to implement), an independent audit of how RTOs are conducting their capstone assessments could be implemented. For example, an independent industry body like MEA could conduct random audits of RTOs and how the capstone assessments are undertaken to ensure

students are being adequately assessed as competent before passing their qualification.

3. ***Improved and consistent use of eprofiling*** – We often hear that Exemplar profiling (eprofiling) is not being undertaken properly, or that the requirements are not appropriate for current settings. A review of the requirements (with Powering Skills Organisation as part of the review) of the Certificate III qualification should be undertaken. This should be combined with training for apprentice supervisors and business owners on how to properly implement eprofiling, to improve outcomes for all.

3. ***Unified Enforcement and Compliance***

National eligibility rules would need to include a requirement that any suspension or cancellation of licence in one jurisdiction applied across all. It would be necessary to make disciplinary actions, licence suspensions, and compliance records visible to all regulators in a timely manner. This would close the current loopholes under AMR, where enforcement of misconduct across state lines is often non-existent, and prevent poor practices from simply being relocated to another jurisdiction.

4. ***Eliminating 'Shopping and Hopping'***

By creating a single, consistent licensing standard and shared information, NOL removes any incentive or ability to seek out jurisdictions with perceived “easier” requirements. This results in greater workforce mobility with strengthened rigour in our electrical licensing system.

Licensing Scope

For certain specialist trades, such as electrical fire safety systems and refrigeration, licensing requirements vary between jurisdictions where some require only a Restricted Electrical Licence (REL) for qualified electricians, while others mandate a full licence. MEA proposes including these specialist trades under a NOL eligibility scheme, including REL recognition for licensed electrical workers extended nationwide

where appropriate. This would prevent unnecessary over-licensing, ensure licensing rigour is proportionate to the work, and reduce interstate confusion for electrical workers regarding permitted scope under the NOL eligibility framework.



Air Conditioning and Refrigeration

We believe installation, maintenance and repair of air conditioning would suit a national harmonised licensing model. Currently, electricians in some jurisdictions are able to install split system air conditioning units less than 18kw provided they also have the 'ARCTick' accreditation. In other jurisdictions, an electrician must complete another full qualification and obtain an additional licence to install a split system air conditioner even if they hold the ARCTick qualification.

Even more concerning, in South Australia there is current advocacy for air conditioning and refrigeration mechanics to be able to undertake the electrical installation work involving the initial connection of air conditioning units, which is normally restricted to fully licensed electrical workers and very dangerous for trades who are not qualified electricians to undertake full connections (as opposed to a restricted licence which would allow disconnection/re-connection as part of repair or maintenance, but does not provide for any work at a switchboard or for the initial connection from the local isolator).

National licensing eligibility rules would prevent some states permitting non-electricians to undertake electrical work and would ensure consistency of work is able to be permitted by electrical workers and air conditioning and refrigeration workers.



Plumbing and Gas Fittings

In some jurisdictions, licensed electricians can obtain a restricted plumbing licence to carry out like-for-like hot water system and gas appliance (e.g. stove) replacements. However, this restricted licence is not nationally consistent.

This fragmented regulatory model undermines workforce mobility and drives up costs for consumers. As with air conditioning and refrigeration licensing, MEA urges the adoption of a nationally harmonised restricted plumbing and gas licence, a reform that supports safety, compliance, and economic efficiency.



Fire Protection

Another area impacting multiple trades is fire protection work. We consider this work suitable for national occupational licensing as it is a high-risk trade with inconsistent requirements around Australia.

There is also a lack of clarity whether electricians can perform inspection and testing of emergency and exit lighting in jurisdictions with fire protection licensing or accreditation requirements, and debate as to the necessary training for a qualified electrician to perform maintenance and testing on alarm and detection systems.

Electrical Contractors Licence

For NOL's benefits to be fully realised, a National Contractors Licence eligibility framework should also be considered. The existing MR, AMR, and ECES schemes (as well as the current Productivity Commission review) do not apply to contractors. As a result, all electrical contractors must obtain and pay for a new licence to work interstate, creating unnecessary financial and administrative burdens. This is a particular pain point for SME members operating near jurisdictional borders who regularly service customers across state lines (e.g. the NSW–QLD border), requiring them to hold and maintain multiple licences.

This licensing barrier limits contractors' ability to respond quickly as subcontractors to demand on large projects in other jurisdictions, leaving skilled workforces underutilised in some regions while shortages persist elsewhere, and forcing premium-priced contractors to be sourced locally. For those choosing to work

interstate, it adds compliance costs that divert resources from job creation, training, and business growth.

A National Contractors Licence scheme would allow established businesses to take on work interstate without costly duplication of licence application and maintenance. This would improve workforce deployment, reduce downtime between project phases, and lower tender prices by increasing the pool of qualified bidders. The result is faster, more cost-effective delivery of major infrastructure, particularly in peak demand periods (for example, the QLD Olympics and the national renewable energy rollout).

In addition, it would require states with lower standards for electrical contractor licensing (e.g. NSW) to raise those standards, ensuring greater rigour in the assessment of contractor licence holders. This would enhance consumer safety and reduce the risk of incompetent or financially unstable new contractor entrants undermining productivity and quality in the electrical sector.

A CPD framework could incorporate jurisdictional differences for operating a business to ensure contractors are aware of their obligations in different states and territories.

Road User Charges

MEA strongly urges the Government to:

- Refrain from penalising electric vehicle (EV) users in any road-user charge.
- Where it is implemented; ensure any EV road-user charge is carefully designed to preserve incentives for Australians to transition to cleaner transport.
- Not penalise businesses based in regional areas who are required to travel greater distances to service clients.

While EV adoption is growing, it has not yet reached market certainty. Premature charges risk undermining financial incentives and slowing progress toward Australia's net-zero targets.

At the same time, increases to transport costs, whether applied to EVs, petrol, or diesel vehicles, flow directly into inflation, compounding cost-of-living pressures and eroding productivity across the economy.

For the construction sector, including electrical contracting, affordable road access is essential. Workers depend on light vehicles to transport tools and materials between sites, depots, and suppliers, particularly in rural and remote areas where long driving distances are unavoidable. Policies must therefore support operational efficiency and not impose additional costs.

Finally, while internal combustion vehicles remain the dominant option today, there is a growing interest in EVs within the industry. A premature or excessive EV levy would almost certainly dampen this momentum, undermining both industry confidence and Australia's broader clean-energy transition.

MEA recognises that governments may seek to reform road funding in the future for EVs. To avoid undermining EV adoption and increasing costs for trades and small businesses, the following approaches should be considered:

1. ***Delay Implementation Until Market Certainty*** - Defer any EV-specific road-user charges until EV adoption has reached sufficient market maturity and price parity with internal combustion vehicles.
2. ***Pilot Programs Before Broad Application*** - Conduct limited trials of any road-user charging scheme to assess impacts on EV uptake, small business costs, and productivity, before rolling out a full national model.

3. *Trade and Small Business Exemptions* - Provide exemptions, rebates, or capped charges for light commercial vehicles used by trades and small businesses utilising EVs, where vehicle use is essential to service delivery.
4. *Regional and Remote Adjustments* - Design concessions or reduced rates for workers and businesses in rural and remote communities, where travel distances are unavoidable and public transport alternatives are limited.

Conclusion

The Productivity Commission's *National Competition Policy Analysis Interim Report* provides an important opportunity to highlight the economic value of mobilising Australia's electrical workforce and establishing free access to legislated Australian Standards.

MEA calls for a National Occupational Licensing (NOL) eligibility framework for the electrical industry, and for it to be extended to other high-risk trades such as fire protection, gas and plumbing, and refrigeration. To fully realise NOL's benefits, a similar framework for contractors should also be established. Our proposed model would unlock workforce mobility, reduce red tape, improve safety and compliance, and ease the financial and administrative burden of interstate work, while preserving jurisdictional autonomy and respecting the distinct legislation of each state and territory. This approach would foster a fairer, more competitive market, particularly benefiting small businesses.

MEA urges the Federal Government to fund free access to Australian Standards where referenced in legislation. It is inequitable and unsafe for the construction industry to pay excessive fees to access mandatory compliance requirements, and jeopardises unnecessary safety risks for the broader public.

Finally, MEA urges the Productivity Commission to recommend maintenance of the current consultative process for implementing Australian Standards in the electrical industry. Automatic adoption of international or overseas standards would present unacceptable risks in such a high-risk sector. Any alignment must undergo rigorous technical review and industry consultation to ensure it meets or exceeds Australia's safety and quality benchmarks, with modifications made to address the unique requirements of the Australian and New Zealand electricity networks.

MEA looks forward to working with the Productivity Commission on these reforms and stands ready to provide further advice, technical expertise, and industry insight to support their development and implementation.