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# Australian Refrigeration Council (ARC) Submission to the Productivity Commission – NCP Analysis interim report 2025

## About the Australian Refrigeration Council (ARC)

The Australian Refrigeration Council (ARC) is the national regulatory authority for the Refrigeration and Air Conditioning (RAC) industry, appointed by the Minister under contract with the Department of Climate Change, Energy, the Environment and Water (DCCEEW). The ARC administers the ARCtick scheme under the Ozone Protection and Synthetic Greenhouse Gas Management Program, supporting Australia's environmental and climate goals. Australia's Ozone depleting substances and Synthetic Greenhouse gas legislation meets its obligations under the Montreal Protocol, an international treaty signed in 1987. As the peak body for the RAC sector, ARC represents key industry associations and oversees licensing for over 113,000 technicians and businesses.

The ARC's work spans licensing, compliance and consumer engagement, and it has built strong relationships with the vocational training sector. The scheme supports the RAC industry which is vital to Australia's economy, supporting 378,000 jobs, and accounting for 24% of electricity use and 12.6% of emissions[1].

Operating for 20 years, ARC's co-regulatory model is built on collaboration, transparency, and continuous improvement to ensure safe, skilled, and environmentally responsible practices by RAC technicians and businesses. ARC also advocates for national licensing consistency, noting that state-based schemes can conflict with federal requirements, risking non-compliance and undermining environmental protections.

## 1. Introduction

The ARC welcomes the opportunity to contribute further to the Productivity Commission's National Competition Policy (NCP) Analysis 2025. We appreciate the Commission's focus on occupational licensing reform and the broader goal of regulatory harmonisation to support productivity, safety, and workforce mobility.

[1] Brodribb P, et al., (2024), **Cold Hard Facts 4**


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While RAC is subject to the national ARCtick environmental license scheme there are also state based occupational schemes regulating the RAC sector. The ARCtick scheme is primarily focused on environmental protection, while state based regulations deliver consumer protection and WHS standards. Recognising that key differences can exist state to state the ARC has advocated for alignment of competency requirements with the national ARCtick license scheme wherever possible, to minimise unnecessary burden on the industry and technicians from multiple requirements in multiple jurisdictions.

This submission reaffirms ARC's original recommendations, highlights critical areas not addressed in the interim report, and provides evidence-based arguments for their inclusion in the final report.

## 2. About the ARC Permit Scheme

ARC administers the national RAC permit scheme under the Ozone Protection and Synthetic Greenhouse Gas Management Act 1989. The scheme supports over 113,000 licensed technicians and businesses, contributing to significant environmental, workforce and economic outcomes[2]:

- 24.37 Mt $CO_2$-e emissions avoided to date, with 58.02 Mt $CO_2$-e projected by 2030
- 2.6% of Australia's workforce, estimated to be 378,000 jobs supported
- 12.6% of national emissions attributable to RAC systems
- 24.4% of national electricity consumption linked to RAC equipment

## 3. Positioning the ARCtick Scheme as a National Model

The ARCtick licensing scheme is a mature, nationally consistent framework that has delivered strong environmental, safety, and workforce outcomes for over two decades. With more than 113,000 licensed technicians and businesses, the scheme is underpinned by robust compliance, training, and consumer engagement programs. It has proven effective in managing the safe handling of refrigerants and supporting the transition to lower-emission technologies. The ARCtick scheme address some of the limitations of automatic mutual recognition (AMR) with strengths in compliance and licencing scope.

More than half of the 90,996 currently licenced RAC technicians are under the age of 40, highlighting a strong presence of professionals in their prime working years. This demographic trend reflects a younger and more dynamic workforce than commonly perceived. The largest age group is 30 – 39, making up 30% of all licence holders, with a further 23% under 30.

[2] Brodribb P, et al., (2024), **Cold Hard Facts 4**


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The ARCtick scheme is competency-based, nationally consistent, and underpinned by strong compliance, training, and consumer engagement programs.

We encourage the Commission to consider the ARCtick scheme as a potential model for a national occupational licensing framework for the RAC industry. While we do not propose a prescriptive legislative pathway, the scheme's existing infrastructure and demonstrated success make it a strong candidate for national expansion and further examination. The application of the principles of national occupational licencing for trades like electrical trades could be applied directly to RAC trades, addressing the complexity and ambiguity of existing state based legislations.

## 4. Expanding the scope of Licensing

The current ARCtick scheme is limited to fluorocarbon-based refrigerants regulated under federal environmental legislation. However, the industry is rapidly transitioning to natural, flammable, and high-pressure refrigerants that fall outside this scope. and within the responsibility of the States. These refrigerants present new safety challenges that require specialised skills and training.

Expanding the ARCtick scheme to include all refrigerants—regardless of chemical classification—would ensure consistent licensing standards, improve safety outcomes, and support the industry's transition to low-GWP technologies

## 5. Strengthening compliance and enforcement

As the industry evolves, so too must the compliance and enforcement mechanisms that underpin licensing. ARC supports the development of stronger compliance powers, including enhanced data-sharing with regulators and targeted enforcement for emerging technologies and refrigerants. These measures would help maintain public confidence in the licensing system and ensure that safety and environmental standards are upheld across all jurisdictions.

## 6. Harmonising Training and Standards

The ARCtick scheme is already aligned with national training packages and qualifications. Further harmonisation of training and standards—particularly in collaboration with state regulators and industry bodies—would reduce duplication, improve workforce mobility, and support a more agile and responsive training system.

The ARC's Green Scheme, currently which was acknowledged in early implementation by the Heads of Workplace Safety Authorities (HWSA)[3], may

[3] Department of Mines, Industry Regulation and Safety (WA), (2019), **Flammable refrigerant gases – position paper**


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potentially offer a future model for regulating high-risk refrigerants and equipment not covered under the federal environmental framework. It includes essential elements of training, licensing, and compliance and could serve as a complementary pathway for broader occupational licensing reform.

## 7. Recognition of RAC as a high-risk trade

RAC work is complex and specialised. Ensuring that refrigerant gases are not released into the environment requires specialist knowledge and equipment. The increasing use of high pressure, flammable refrigerants and new technologies has seen new trade specific hazards emerge that require expert skills. The transition to low-GWP refrigerants and the Government's energy and emissions reduction agenda, combined with increasing demand for heating and cooling will drive demand for RAC work to address both environmental and safety challenges into the future.

Whilst not explicitly recognised in the interim report as a high-risk occupation, ARC submits that RAC work meets the Commission's criteria due to its inherent environmental danger, and the increasing use of flammable and high-pressure refrigerants, the complexity of RAC systems, and the safety-critical nature of installation, servicing, and decommissioning tasks. These risks are comparable to those in the electrical trade, which is already recognised as high-risk. There is significant crossover with RAC technicians often required to hold restricted electrical licences, and electricians needing to obtain restricted RAC licences for installation and decommissioning split system work—highlighting the interdependence of these trades and the need for consistent, high standards across both.

We submit that RAC technicians should be formally recognised as high-risk, high-skill professionals within the national licensing reform agenda.

## 8. Economic Rationale for Inclusion

ARC's updated modelling[4] (based on RIS and Cold Hard Facts) from its initial submission:

- ARCtick Expansion: Annual Net Benefit: $15.2M

- 10-Year NPV: $98.9M

- Benefit-Cost Ratio: ~330

This compares favourably with the Commission's estimate for electrical trades ($51–$62M/year), reinforcing the value of expanding the ARCtick scheme to potentially be used as a national licensing model for RAC work covering all refrigerants.

[4] Australian Refrigeration Council, (2025), **Australian Refrigeration Council (ARC) Submission to the Productivity Commission**


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## 9. Support for Free Access to Standards

ARC strongly supports the Commission's interim recommendation that mandated standards should be made freely accessible. This would significantly improve uptake and compliance, particularly among small businesses and apprentices, and would remove a longstanding barrier to training and professional development in the RAC sector.

## 10. Conclusion and recommendations

ARC urges the Productivity Commission to:

1. Explicitly refer to the ARCtick scheme in its' final report as a potential model for national licensing for RAC trades.
    i. Align this expansion with energy efficiency goals to address indirect (upstream) emissions and improve environmental outcomes whilst supporting consumer protection and safety goals.

2. Recognise RAC technicians as high-risk, high-skill professionals

3. Address state-level licensing duplication

    • Address the inefficiency of dual licensing systems in Queensland, New South Wales, and Victoria, where state-level requirements duplicate the national ARCtick scheme.

4. Boost Productivity Through Regulatory Harmonization

5. Evaluate whether a similar national model approach could be adopted for other vocations.

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