Creating a more dynamic and resilient economy inquiry

Questionnaire response 59

Name: Master Electricians Australia

Submission date: 12/06/2025

1. Support business investment through corporate tax reform

1. What features of the Australian business environment have encouraged or restrained investment over the past 10 years?

Instant Asset Tax Write-Off
The Albanese Government has committed to extending the instant asset write-off scheme for an additional 12 months, capped at $20,000. While MEA welcomes this support for small businesses, we strongly advocate for the scheme to be made permanent and the threshold increased to $50,000.

Although the instant asset write-off encourages spending, the current $20,000 cap limits meaningful investment. Moreover, its temporary and uncertain nature undermines long-term business confidence. Increasing the threshold and ensuring permanence would provide small businesses with the certainty needed to plan and grow.

2. What elements of the corporate tax system encourage and/or discourage investment and risk-taking?

MEA calls for a reduction in the corporate tax rate for small businesses, currently taxed at 25%. Economic modelling from the Council of Small Business Organisations Australia (COSBOA) shows that reducing this rate to 20% could inject up to $11.4 billion into the economy and create approximately 3,370 permanent jobs.* Notably, GDP could increase by up to “$10 for every $1 in foregone tax revenue”* , driven by increased reinvestment into operations, staff, and innovation.
Small businesses, often operating with limited resources, continue to face compounding challenges, including the impacts of environmental disasters, the ongoing cost-of-living crisis, insurance costs and rising regulatory burdens. A lower tax rate would offer vital financial relief, freeing up cash flow for small businesses to reinvest and support broader economic growth.

Small and family businesses may also be negatively impacted by changes to superannuation taxation rules for example those with SMSFs holding property may be adversely impacted by increased taxation of unrealised capital gains which could have unfair outcomes.

(*“Small business tax cut a $11.4b boon for economy” Council of Small Business Organizations Australia [22 April 2025] <Small business tax cut a $11.4b boon for economy>
Ibid.)

3. Which parts of the corporate tax system do you find the hardest, or most time or cost-intensive to comply with? How could the compliance burden of the business/company tax system be reduced?

ATO Threshold
The Australian Taxation Office (ATO) may disclose a business's tax debt to credit

reporting bureaus (CRBs) if the debt exceeds $100,000 and is overdue by more than 90 days, provided the business is not effectively engaging with the ATO to manage the debt. Additionally, the ATO can issue a Director Penalty Notice (DPN), making company directors personally liable for certain unpaid tax obligations, such as Pay as You Go (PAYG) withholding, Goods and Services Tax (GST), and Superannuation Guarantee Charge (SGC).

These measures can significantly impact small and medium-sized enterprises (SMEs), particularly in the construction industry, which is experiencing high insolvency rates. SMEs often operate with tight cash flows and depend on timely payments from customers and large contractors. Delayed payments and bad debts, often beyond their control, can lead to tax debts that trigger ATO enforcement actions.

Once a tax debt is disclosed to CRBs, the business's credit profile may suffer, affecting its ability to secure financing, win tenders, or maintain supplier terms. The involvement of CRBs can lead to inflexible debt recovery processes, further exacerbating financial pressures on the business.

MEA advocates for a more nuanced approach to the ATO's tax debt collection practices, particularly concerning the construction industry, which currently exhibits the highest rate of liquidations among all sectors. We propose that the ATO move away from its uniform 90-day disclosure policy for tax debts exceeding $100,000. Instead, we recommend implementing an industry-specific framework that considers the financial climate profiles inherent to different sectors. SMEs would need to evidence they are owed material monies in proportion to the outstanding tax debt. Such a tailored approach would allow for varying grace periods before debt disclosure, reflecting the unique challenges faced by businesses within each industry.

Coupled with enhanced support mechanisms to facilitate SMEs' engagement with the ATO in establishing and adhering to payment plans, this approach aims to improve debt recovery outcomes. By preventing premature liquidations prompted by rigid collection policies, the ATO stands to recover more substantial portions of outstanding debts, thereby benefiting both the businesses involved and the broader economy.

Tax Compliance Support for Small Businesses
Navigating the tax system can be challenging for small businesses, which often lack financial literacy and dedicated expertised financial staff. Estimating and setting aside funds for end-of-year tax can create stress and lead to overly frugal operational budgets.

MEA recommends the Government provide simplified withholding tax guidance tailored to small businesses, alongside access to subsidised bookkeeping support or digital tools to reduce compliance burdens and improve financial confidence.

2. Reduce the impact of regulation on business dynamism

1. What areas of regulation do you see as enhancing business dynamism and resilience? What are the reasons for your answer?

MEA remains concerned about the current protections for construction subcontractors related to Security of Payment (SOP) and unfair contract terms.

Implementing a strengthened, nationally consistent SOP and unfair contract legal framework will likely boost small businesses' confidence in their cash flow, increasing their willingness to take on contracts and encouraging greater spending and investment.

Security of Payment - The construction industry is facing increasing insolvencies. Notably, "in Australia, subcontractors complete over 80 per cent of construction work, [asserted to be] the highest portion in the world to pass financial risk down the construction contracting chain." The flow-on-effects of failures are broad, impacting the completion of projects.

In addition, our recent industry survey shows that slow and non-payment remain an issue for construction industry subcontractors (including electricians) which includes failure of builders/head contractors to return retention money.

However, despite these significant risks to not only the subcontractors, but the wider economy, there is a lack of effective measures to ensure subcontractors are in fact paid for work in a timely manner including where a builder goes insolvent.

When a subcontractor is not paid, that subcontractor still has to pay for materials used, payment of staff, business and compliance costs, and the earnings of the small business owner are foregone. This can easily lead into the tens of thousands of dollars, meaning when a head contractor goes bust it is not just inconvenient to the unpaid subcontractors but can lead to closure of their business and associated pressures on families and marriages.

MEA calls on the following legislative reforms to be made to protect subcontractors in the construction industry:

- Retention Fund - Holding of retention money by a central authority, similar to state-based rental bond schemes where rental bond is held centrally by a government authority. This would involve a process where an existing government entity adopts similar processes to the residential bond sector whereby the processes for lodging payments and receiving retention back are fast, simple and available online. Legislative change and online processes would be required but could be based on existing processes and be managed within an existing body. This central holding facility should apply to all retentions held by contracting parties in the construction industry. The earnings on the fund could over time pay for the administration costs.
- Harmonised Laws - Australian jurisdictions to agree to implement harmonised security of payment legislation taking the best aspects of schemes in operation around Australia. This could be achieved by model legislation such as work health and safety laws.
- Payment Scheme – MEA would like to see the Federal Government establish a scheme for subcontractor payments following insolvency of the head contractor based on the Fair Entitlements Guarantee (FEG). As stated above, for small business owners, non-payment of contractual payments means they do not receive a wage. An FEG-like scheme is appropriate for small business payments following head contractor insolvency.
- Non-Cash Security – Harmonised security of payment legislation should include provisions that the contracted party (e.g. subcontractor) may at any time elect to substitute non-cash security (e.g. bank guarantee) with cash retention and vice versa.

Unfair Contract Terms - Subcontract terms in the construction industry are typically heavily weighted in favour of the head contractor. While commercial arrangements are a matter for the parties, there are key initiatives where Government intervention can make a meaningful impact. The current federal legislation on unfair contract terms relies on the subcontractor bringing expensive, protracted legal action, or convincing the ACCC to bring such action on their behalf.

Examples of common unfair terms that should be sought to be declared void by the ACCC include:

- Subcontractor practical completion should not be linked to head contractor practical completion. This can result in harsh situations such as a subcontractor waiting many months to receive a practical completion payment and return of 50% of retention due to matters unrelated to their scope of work.
- 'Standard form' contracts are rarely used without amendments, and often these are substantial changes. In addition, standard forms given by head contractors to subcontractors typically provide that any terms provided by the subcontractor, even if agreed to by the parties, are overridden by the head contractor's terms. Subcontractors should not have to engage lawyers to review contracts for each tender process to check for changes to standard forms or hidden clauses overriding previously agreed terms. Departures from standard form contracts, and any provisions overriding previous agreements must be easily identifiable by way of tracked changes, departures schedule or special conditions of contract. Failure to do so should render those terms void to the extent relied upon by the head contractor.

In addition, it is common for a head contractor to reschedule works or for there to be substantial delays on a project that are not due to any factors within a subcontractor's control. Often subcontractors are not entitled to delay damages in these circumstances. While subcontracts often provide for an extension of time they typically do not provide for delay costs for the subcontractor. Yet, subcontractors incur costs whether it be on site, off site, labour costs, loss of other work, etc. It has become very difficult for subcontractors to price this risk up front due to the wide-ranging possible delays. Government contracts should lead the way and require subcontractors to be paid delay costs for delays outside their control.

2. How has your regulatory burden changed over time?

MEA has provided a submission in relation to national occupational licensing of electrical workers. MEA has attached our correspondence on the matter.

Insurance
There is increasing concern that rising insurance costs could soon become a major crisis for small businesses. Premiums have surged significantly, driven by factors such as natural disasters, increased legal liabilities, and mandatory insurance requirements. Small businesses often struggle to find policies tailored to their specific needs.

WorkCover insurance premiums, particularly in Australia's southern jurisdictions, exemplify this issue, as noted by MEA in our submission to the ACT's Inquiry into Insurance. In the ACT, WorkCover premiums remain extremely high despite the Territory having some of the highest workplace injury rates in the electrical industry. This indicates that underlying work health and safety issues must be addressed, rather than simply imposing prohibitive insurance costs on businesses.

MEA recommends a thorough review of insurance regulations to reduce unnecessary costs on small businesses. We advocate for targeted subsidies to help small businesses secure essential insurance, especially in high-risk areas. Additionally, financial support should be provided to support small businesses implement systems to offset the risks that insurance is intended to cover, such as workplace injuries, ensuring both affordability and effective risk management.

3. What regulations do you find time-consuming, overly complex or otherwise constraining business dynamism and resilience? What are the reasons for your answer?

The participant did not respond to this question.

4. Can you share any specific examples of where you think a regulator has done a good or bad job of understanding and reducing regulatory burden on businesses and why?

NSW, VIC & NT: Supervision Ratios
Jurisdictions across Australia are increasingly adopting risk-averse approaches to apprenticeship supervision. Over the past year, New South Wales, Victoria, and the Northern Territory have tightened supervision ratios, including the introduction of 1:1 direct supervision requirement.

MEA members advise that apprentice competence and ability varies, and also that certain work can easily be undertaken with more than one apprentice while providing appropriate direct supervision (for example if, in a commercial fit-out where supervisor and apprentices are working in the same area within eye and earshot, a matter requires greater oversight other apprentices can stop work and watch while that occurs).

These changes limit employers' capacity to take on apprentices for work-based training due to insufficient supervisory capacity. As noted above, small businesses typically shoulder the responsibility of onboarding the bulk of new apprentices, meaning these restrictive requirements inherently hinder workforce development.

MEA believes such constraints are unnecessarily limiting and instead advocates for a greater focus on supervisor training and apprentice competency, rather than rigid, time-based supervision ratios.

NSW: Fire Accreditation
The NSW Building Commission has introduced accreditation requirements for the annual assessment of electrical fire safety systems which may allow individuals without electrical training to gain accreditation through a fire industry association, that can and should appropriately be classified as electrical work and performed by qualified electricians.

Currently, the annual fire safety assessment form is a prescribed form, and indicates the inspection and testing of exit and emergency lighting should be signed off by an accredited fire safety practitioner.

However, there is no allowance for electricians to sign the form, or any simple pathway for an electrician to be accredited to do so. Rather, several units of competency, most unrelated to this work, are required along with an accreditation fee, for work that is learned during an electrician's apprenticeship. Electricians are trained to install, maintain and repair exit and emergency lighting and it makes sense they should be permitted to inspect and test that lighting.

We have perverse situations where an electrician has replaced a broken emergency light but needs to subcontract to an accredited fire safety practitioner who is not an electrician to sign a form to say the light has been inspected and tested.

MEA is currently working with the FPAA to try to find an acceptable solution but we remain concerned at the unnecessary burden imposed on electrical contractors.

VIC - Switchboard Inspections
Under s 45 of the Electricity Safety Act 1998 "electrical workers are required to ensure the power remains off after replacing residential-type main switchboards until the work has been inspected by a Licensed Electrical Inspector" . While this law has been in place for 24 years , enforcement has recently intensified in part due to audits identifying increased defects in switchboard replacements.

This requirement causes unnecessary delays and costs. MEA has sought an amendment to the inspection requirements for switchboard replacements under s 45 of the Electricity Safety Act 1998, proposing inspections occur within a specified timeframe after energisation rather than before. Limited inspector availability is already causing delays, and the recent amendments under the Residential Tenancies Regulations 2021 will exacerbate these bottlenecks. Allowing post-energisation inspections, combined with robust compliance reporting from electricians, ensures safety concerns are addressed while alleviating resource constraints. This approach strikes a fair balance between maintaining safety, improving operational efficiency, and ensuring households receive timely energy access.

QLD: Terrace House Connections
In an unprecedent move, EQL introduced in 2024 the requirement for a Registered Professional Engineer of Queensland (RPEQ) to provide a written letter stating that freehold terrace houses with any touching elements (also commercial properties) meets EQL's requirements and comply with the Wiring Rules in order to provide separate meter connections to these properties. EQL requires the letter to be provided at least 10 business days before an Electrical Works Request (EWR) submission. This is despite an electrical contractor's requirement to provide a certificate of compliance, and the Electrical Safety Office (ESO) advising (on multiple occasions) the connections are in accordance with the Wiring Rules (AS/NZS 3000) and electrically safe.

EQL's interpretation of The Wiring Rules has not been adopted by any regulator or any other Distribution Network Service Provider (DNSP) in Australia as far as we are aware. EQL's requirement leads to delays in connections, changes in design and hesitation among commercial property owners to undertake electrical repair work for fear a reconnection will not be approved by EQL.

MEA has raised this issue with EQL and had many meetings and discussions attempting to resolve the issue. Unfortunately, at the time of submission the issue remains unresolved.

MEA views EQL’s actions as excessive and beyond the requirements of the national Wiring Rules, adding unnecessary red tape that will not help the State’s desperate need of new housing supply. We are concerned that EQL’s determination will result in additional costs and delays to terrace housing in Queensland; a form of housing that is often an affordable solution for families, as well as impacts on commercial premises such as ‘strip of shops’ type construction with separate meters.

MEA seeks a framework whereby individual DNSPs are not able to impose unnecessary additional requirements beyond the Wiring Rules for electrical connections.

TAS: Differing Rules Amongst Local Government Authorities (LGAs)

Option 4.1.5 is a supply connection option commonly selected by Tasmanian property owners. However, the yellow-highlighted area (as illustrated in the below diagram) represents Crown Land between the customer’s property boundary and TasNetworks' pole and has become a point of contention for many electrical contractors.

Currently, there is no jurisdictional harmonisation in how option 4.1.5 is regulated, allowing Tasmanian LGAs to impose varying rules and requirements for its use in connecting properties to the grid. This inconsistency creates unnecessary administrative burdens and risks confusion, potentially leading to non-compliance.

MEA has been advocating for Territory oversight to mandate uniform regulations for managing this space. Such harmonisation would provide clarity for electrical contractors operating across Tasmania, streamline compliance processes, and reduce costs that might otherwise be passed on to customers.

WA & QLD: Roof Space Regulations

In Queensland, the Electrical Safety and Other Legislation Amendment Regulations 2024, and in Western Australia, the Work Health and Safety (General) Regulations 2022, legally require electricians to de-energise a residential property before entering the roof space to carry out any work.

These regulations seek to reduce the risk of electrocution incidents involving individuals working in roof spaces. As homes age, so too does the integrity of their wiring insulation. Additionally, if exposed wires from degraded or substandard installations come into contact with objects in the roof space, the likelihood of electric shock, or even fatal electrocution, increases significantly.

Other States and Territories are yet to introduce enforceable legislation offering the same level of protection. While some jurisdictions have issued safety guidelines, these are not legally binding and may not effectively prevent accidents. We strongly encourage all jurisdictions to adopt similar regulations to improve safety standards and better protect workers operating in roof spaces.

Cover sheet: Supporting document #1

National Competition Policy Analysis

FED

Georgia Holmes and Kate Raymond

June 2025

MASTER ELECTRICIANS AUSTRALIA

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 Australian Government's review of national competition policy and its focus on enhancing productivity.

Amid a critical skills shortage and rising demand from electrification and housing, mobilising the electrical workforce across jurisdictional borders is vital.

MEA commends the Government's pre-election commitment to reforming occupational licensing in the electrical sector, which is a vital step toward building a more agile, cost-effective, and sustainable workforce. As a high-risk trade, licensing must be in place to ensure only qualified workers can perform electrical work.

Harmonising licensing eligibility rules across all states and territories ensuring the highest standards are retained, combined with consistent national CPD requirements, and removing the requirement to pay licensing fees across multiple jurisdictions will significantly improve safety and quality outcomes in the electrical sector while reducing barriers to workforce mobility.

MEA also advocates for free access to Australian Standards for all electrical workers, particularly given electricians must legally comply with the Wiring Rules. A national licensing model that ensures free and consistent access to these standards is essential for a safe and fair electrical industry.

Occupational Licensing

Which occupations would be best-suited to a national licensing scheme?

MEA believes national occupational licensing is best suited to high-risk occupations such as electrical, plumbing, mechanical and fire protection. We address those of relevance to MEA below.

Electrical workers - We support a harmonised licensing model for electrical workers, where all states and territories adopt consistent 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.

All jurisdictions currently licence electrical workers, but with differing eligibility rules for obtaining a licence and differing status of mutual recognition acceptance. Instead, one set of requirements for licensing across the nation, maintaining high standards, would produce more streamlined outcomes and improved safety and quality outcomes for some jurisdictions.

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

With each state and territory maintaining contractor licensing requirements, notifications in relation to jurisdiction-specific regulatory requirements (outside occupational licensing) can still be maintained via the employing electrical contractor.

Air Conditioning and Refrigeration – We believe installation, maintenance and repair of air conditioning would also 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.

Other Electrical Work Licenses – such as linesperson, electrical fitters and jointers would also be suitable for national harmonised licensing.

Contractor Licensing– While significant attention is being given to harmonised occupational licensing, MEA members are also calling for improved harmonisation of electrical contractor licensing and reduction of multiple licensing fees across jurisdictions.

Currently, the AMR scheme and the Federal review of occupational licensing apply only to individuals. This leaves businesses needing to undertake different assessments/qualifications in some jurisdictions and needing to pay multiple contractor licensing fees to operate across various jurisdictions. MEA members, particularly those located near jurisdictional borders, often operate interstate, typically having to absorb these expensive and time-consuming costs.

What would be the first steps towards a national licensing scheme for selected occupations?

- *Determining the Nationally Agreed Licensing Requirements (Competencies and Assessment Process) for All Electrical Workers -* MEA supports a review of all requirements, with a view to upholding the highest licensing standards across Australia and uplifting requirements in some jurisdictions to meet that standard. Collaboration and agreement among state and territory electrical safety and building industry regulators will be required to secure a unified set of requirements. An industry working group of government, employer and employee representatives should be established for each occupation under consideration for national licensing, to make recommendations to government. MEA submits it should be represented on groups discussing electrical, air conditioning and fire protection licensing as well as in relation to restricted licences in plumbing and gas.

- *Determining The Regulatory Body/Bodies* – MEA proposes each jurisdictional regulator remain the governing authority for licensing and enforcement within its state or territory. This allows continuity of service and oversight in each jurisdiction.

- *Communication and Consultation -* Industry organisations, such as Master Electricians Australia, will play a critical role as communication channels and support networks to ensure the success of the transition.

- *Enhancing the Licensing Framework* – A national occupational licensing scheme is an opportunity to enhance safety and quality outcomes in the electrical sector, by:

    - *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).

      In addition, to ensure rigour in the capstone assessment process and address the additional licence assessment process in Victoria (which we submit other jurisdictions are unlikely to be able 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.

    - *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.

- *Introduction of nationally consistent Continued Professional Development (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), with annual review of mandatory topics to ensure up-to-date knowledge of regulatory changes, technological advancements and areas with highest defect rates.

- *Free access to the electrical Australian Standards for all licensed electrical workers* – This would be possible with a national occupational licensing scheme. Electricians must legally comply with the Wiring Rules (the set of electrical Australian Standards) and is therefore imperative all electrical workers have free access to these mandated rules.

Why did previous attempts at a national licensing scheme, such as the National Occupational Licensing Scheme, fail? How could a renewed attempt overcome the barriers to a national licensing scheme?

In 2007, the Labor Government initiated the National Occupational Licensing System (NOLS) to standardise occupational licensing across Australia, including the electrical industry. However, we understand the initiative lacked support from several states and territories due to concerns over the proposed model, associated costs, and discrepancies in electricians' permitted scopes of work.[1] In particular, MEA understands that some states did not agree to change their requirements to reduce rigour in licensing processes to what was seen as 'coming down to the lowest common denominator' and other states did not agree to increasing requirements.

Nearly a decade on, the electrical industry is grappling with a critical skills shortage amid surging construction demand driven by electrification and increased housing supply. As outlined in MEA's AMR Matrix, several jurisdictions have yet to include electricians under the AMR scheme, resulting in ongoing limitations and administrative barriers to workforce mobility.

Given these challenges, MEA advocates that a system involving nationally agreed and consistently applied requirements for high-risk occupational licensing across Australia delivered by existing state and territory licensing bodies would strike the right balance between retaining state and territory control over regulation and compliance while enhancing safety and compliance standards and workforce flexibility to address the pressing demand for skilled professionals in high-demand, high-risk occupations.

As an example, in Queensland the Electrical Safety Regulation provides for equivalence of licences obtained outside Queensland enabling holders of an equivalent licence to lawfully carry out electrical work within the scope of the deemed equivalent Queensland licence category (without the need for any notification or application).

What benefit would a national licensing scheme provide over an expansion of the automatic mutual recognition scheme?

Harmonised licence eligibility rules across Australia, implemented through harmonised legislation, would offer a more permanent solution if established through a nationally agreed framework, similar to national work health and safety laws or the National Building Code.

[1] Select Committee on Red Tape "Effect of red tape on occupational licensing Interim report" *The Senate* [August 2018] < Report: Effect of red tape on occupational licensing>

In contrast, AMR is simply a recognition of the separate and different rules applying in other jurisdictions. AMR is also applied inconsistently throughout Australia and often requires notification or application process to occur in additional jurisdictions.

We believe a national electrical licensing framework adopting the elements set out in this submission would reduce red tape, enhance workforce mobility, improve safety and compliance, and support a more efficient and safer national electrical industry. It would benefit not only practitioners but also regulators, employers, and consumers by increasing confidence in the competency of individuals working interstate.

How could the PC best quantify the benefits of a national licensing scheme?

- *Construction Output*: Increased licensing flexibility would enable labour to move to high-demand areas, reducing delays and boosting productivity. This can be measured through changes in national construction output over time.
- *Compliance and Safety*: A unified licensing eligibility system that takes advantage of the opportunity to increase and enhance standards across Australia would improve understanding of obligations, and compliance and safety outcomes. Key indicators include rates of licensing breaches and electrical safety incidents before and after implementation. The cost and delay impacts of defective work and unsafe work are significant.
- *Economic Modelling*: The Productivity Commission could commission cost-benefit analyses or economic impact models to compare the long-term productivity and fiscal outcomes of a national licensing eligibility scheme including reductions in defective work/rework and injuries.
- *Apprentice Completions and Licence Qualifications*: Clarity and consistency of licensing requirements could increase apprentice completions and overseas workers qualifying for a licence, resulting in more electrical workers to meet the currently predicted shortfall in this sector.

International Standards

Are there examples of Commonwealth, state, territory or local government regulation where there should be greater harmonisation with international or overseas standards and related conformity assessments or approvals? What sectors should be prioritised for reform?

Digital product traceability would enable the linkage of the product with the requisite product information including conformance with an ability to verify its accuracy.

The National Building Products Coalition has prepared an implementation guide for adopting traceability and digitalisation of product information in the construction industry. For further information please see: Traceability and Digitalisation of Building Product Information Guide by the National Building Products Coalition

Other Competition Reform Options

Which sectors or policy areas need reform to further promote competition?

Free Access to Australian Standards

Standards Australia is a "non-government not-for-profit organisation"[2] that holds a vertically integrated monopoly over producing standards that are mandated in legislation and regulations.

All intellectual property used in the Standards is voluntarily contributed by industry at no cost to Standards Australia. As a long-standing industry partner, Master Electricians Australia alone contributes well over $100,000 worth of IP, technical expertise, travel and accommodation costs, and in-kind support annually towards Australian Standards relating to the electrical sector. These contributions (along with those of other industry stakeholders) are subsequently commercialised and sold back to Master Electricians Australia and the broader industry at a significantly inflated price.

[2] *Memorandum of Understanding Between the Commonwealth of Australia and Standards Australia Limited* (The Memorandum of Understanding) [13 November 2048], at 4 < Standards Australia's Memorandum of Understanding>

All Australian jurisdictions have incorporated multiple electrical Australian Standards into legislation and regulations, making it a legal requirement for electrical contractors to maintain access to the most current version of these Standards in order to perform their duties lawfully.

Master Electricians Australia calls for free access to Australian Standards to support compliance with legal and regulatory obligations. This access should be included as part of the proposed national occupational licensing eligibility model. Any cost recovery via occupational licence fees should be kept to an absolute minimum.

We anticipate this will enhance the safety of workers, customers, and the broader economy as well as improving compliance. Furthermore, it will reduce the financial burden on businesses and strengthen industry confidence in government by demonstrating a clear recognition of the essential role small businesses play in the economy and a genuine commitment to supporting their compliance and safety at worksites.

Conclusion

MEA commends the Government's pre-election commitment to mobilise the electrical workforce. We strongly support national agreement on and implementation of national licensing for the electrical and related sectors. Our approach involves harmonised licensing eligibility rules administered and enforced by existing state and territory regulators. This approach 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 governing each state and territory. Ultimately, MEA's proposal would foster a fairer, more competitive market, particularly benefiting small businesses with limited resources.

In addition, we call for more rigour in the qualification and capstone process, enhanced and consistent eprofiling requirements, a national CPD scheme for electrical workers and free access to Australian Standards to support compliance with legal and regulatory obligations.

MEA looks forward to collaborating with the Productivity Commission on the National Competition Policy and we are available for further consultation.

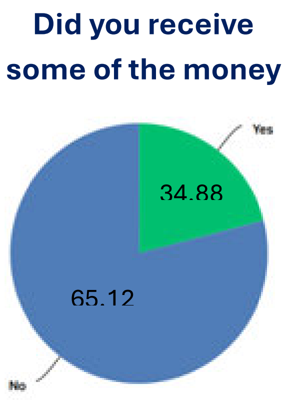
Cover sheet: Supporting document #2

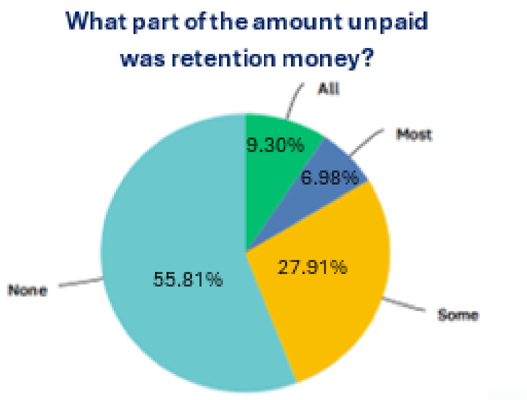
Security of Payment Industry Survey

A 2025 industry survey on security of payment[1] found non-payment of subcontractors remains a critical issue across the electrical, fire, HVAC and plumbing construction sectors.

Over 60% of surveyed respondents identified that in the last 5 years they had been unpaid due to contractor insolvency.

Unpaid subcontractors were from a mix of commercial and residential sectors (or both). Of these, 65% responded they did not receive any of the money owed. Retention money contributed to non-payments, with 44% of respondents stating that at least part of the amount owed was retention money.





Of those with amounts unpaid, 21% were unpaid were by a residential builder.

Additional details from the survey include:

33% were owed up to $10,000. **66%** were owed up to $50,000 and **87%** of respondents were owed up to $100,000.

35.5% were **not aware** of their rights and legal processes. **Less than 10%** responded 'yes' to whether they found the legal process / legislative framework easy to understand and follow. The **majority** of respondents did not find the legal process easy to understand.

[1] Joint survey of industry associations conducted by MEA in conjunction with MPAQ, NFIA, AMCA, FPAA, ACIF and ECA WA.

Respondents were given the option of providing a comment on the impact of non-payment. Responses include:

- *Mental health, marriage breakdown. Business significantly struggled.*
- *Stress, bad cash flow, less profit, HR issues*
- *Very stressful and frustrating, particularly when we work very hard in good faith and not be paid for reasons unknown. This has also impacted our personal finances.*
- *Reduced profits, restriction on business activity.*
- *Large time loss in follow ups*
- *Indignation and fury that he (owner of business that didn't pay subcontractor) was allowed to start a new business with no ramifications whilst we were substantially out of pocket.*
- *Frustrated and angry about doing the right thing by others and not getting same in return.*
- *Loss of profit margin and reduction in cashflow*
- *The main concerning point is that when the process starts to collect overdue payments from this contractor, it can actually be used against you when it goes into liquidation as the liquidators have rights to those funds you gained under the pretense that you were aware of the financial position and the funds are part of the liquidated asset collection*
- *Losing $100k in the first 18 months of business is devastating but we recovered. Currently owed 20k from residential builder, coming up to 2 years so here we go again.*
- *It had me stressed somewhat. But only made me watch more carefully who we work for and to hold onto certification till all invoices have been paid in full.*
- *Was quite stressful with my directors and tendering for future jobs for builders*
- *Money gone*
- *I became very stressed*
- *Developed trust issues with outside contractors without formal training*
- *Financial stress for the business to cover materials and labour costings*

Find out more about the policies MEA is promoting to improve security of payment for subcontractors here.