



15 September 2025

Australian Refrigeration Council (ARC) – submission to Productivity Commission Building a skilled and adaptable workforce inquiry

About the Australian Refrigeration Council (ARC)

The Australian Refrigeration Council (ARC) administers the national Refrigeration and Air Conditioning (RAC) industry permit scheme under the Ozone Protection and Synthetic Greenhouse Gas Management Program. Appointed by the Minister and operating under a contract with the Department of Climate Change, Energy, the Environment and Water (DCCEEW), the ARC plays a central role in supporting Australia's environmental and climate goals. The ARC is the peak body for the RAC industry with its membership made up of the key industry associations involved in refrigeration and air conditioning across Australia. 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 membership represents the key industry associations across the stationary and automotive refrigeration and air conditioning sectors. The ARC also has strong links with the vocational training sector via registered training organisations (RTOs), and jobs and skills councils, advising on curriculum suitability and the emerging needs of industry.

The ARC's work spans licensing, compliance and consumer engagement, administering 113,000 technician and business licences, and conducting 10,000 audits per year. The scheme strategically supports the RAC industry, which is essential to employment and national energy use and emissions management, enabling 378,000 jobs, and accounting for 24% of electricity use and 12.6% of emissions¹.

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 occupational licensing consistency, noting that state-based schemes can conflict with federal requirements, risking non-compliance and undermining environmental protections.

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

1. Background

The ARC welcomes the opportunity to respond to the Productivity Commission's interim report on Building a Skilled and Adaptable Workforce. As the national licensing body for Australia's refrigeration and air conditioning sector, the ARC plays a central role in licensing, compliance, training, and workforce development for over 113,000 technicians and businesses.

This submission focuses on the issues relating to RAC trades in the interim report, particularly in respect of occupational entry regulations (OERs), licensing harmonisation, and workforce pathways.

2. Key Issues and Recommendations

2.1 Recognition of RAC as a High-Risk Trade

ARC strongly submits that RAC work is highly complex, specialist and is increasingly a high-risk occupation. The interim report does not currently classify RAC as high-risk, despite the following:

- RAC technicians are responsible for environmentally critical tasks, including the safe handling and containment of refrigerants.
- RAC systems are complex, and installation, servicing, and decommissioning require specialist skills.
- The increasing use of flammable and high-pressure refrigerants introduces significant safety hazards.
- There is significant crossover with electrical trades, with many RAC technicians holding restricted electrical licences and vice versa.

These factors meet the Commission's own criteria for high-risk classification. ARC urges the Commission to revise its position and include RAC trades in the high-risk category for the purposes of licensing reform.

2.2 National Licensing and Labour Mobility

The ARC supports the Commission's endorsement of a national licensing scheme and the use of the National Competition Policy (NCP) framework to incentivise reform. Fragmented licensing systems across states hinder labour mobility and workforce responsiveness.

The ARC recommends:

- Consideration of RAC trades in any future national licensing reform initiatives.
- Alignment of state-based electrical and plumbing endorsements with ARC's national refrigerant handling licence (RHL) framework.
- Expansion of automatic mutual recognition (AMR) to cover all RAC licence types.

2.3 Occupational Entry Regulations for RAC Technicians

ARC supports the Commission's recommendation to review and streamline OERs where they are disproportionate to risk. However, in the case of RAC, stringent entry requirements are justified due to the high-risk nature of the work, for example, a minimum Cert III qualification for an unrestricted RAC licence across all jurisdictions is considered necessary.

ARC recommends:

- National harmonisation of RAC licensing pathways, particularly for restricted licences (e.g. split systems).
- Risk-based regulation that reflects the actual safety and environmental risks associated with RAC work.
- Recognition of micro-credentials and sector-specific competencies to support flexible entry and upskilling.

2.4 Entry Pathways and Workforce Development

ARC has identified gaps in training coverage and access, particularly in regional areas and among mature-aged workers. The Commission's recommendation to expand non-apprentice pathways and streamline qualification requirements aligns with ARC's recent work with Jobs and Skills Councils.

ARC recommends:

- Support for non-traditional entrants through Recognition of Prior Learning (RPL), Offshore Technical Skills Records (OTSR), and suitably designed short courses.
- Investment in digital delivery of training to address geographical barriers.
- Continued support for **Green Scheme Accreditation** for low-GWP refrigerants and emerging technologies. Ensure competency requirements are strictly aligned with the typical responsibilities of RAC technicians, such as restricted electrical work, to maintain relevance and fitness for purpose.
- Training is to be more agile in responding to Industry's evolving needs, with multiple pathways to be available.

3. Supporting Evidence

- ARC administers over 90,000 refrigerant handling licences, including:
 - 27,673 Full Licence holders (RAC01)
 - 35,074 Automotive Licence holders (AAC02)
 - 16,481 Split Systems (restricted) Licence holders (RSS03)
 - 10,405 trainee licences
- ARC's co-regulatory model with DCCEEW ensures national consistency and environmental compliance.
- ARC's updated modelling shows a **net annual benefit of \$15.2M** and a **10-year NPV of \$98.9M** from expanding the ARctick scheme—comparable to the Commission's estimates for electrical trades.
- ARC's recent national review of training programs identified inconsistencies in qualification recognition and limited access to upskilling pathways.

4. Conclusion

ARC supports the Productivity Commission's efforts to build a more skilled and adaptable workforce.

We urge the Commission to ensure that RAC trades are appropriately considered in final recommendations, particularly in relation to licensing reform, risk-based regulation, and workforce development including:

- Recognise RAC trades as high-risk, high-skill professions.
- Consider the ARctick scheme as a potential model for national licensing.
- Address state-level duplication and regulatory inefficiencies.
- Align licensing reform with energy efficiency and emissions reduction goals.

- Training is to respond to support Industry's evolving needs in an agile way.

We welcome further engagement and would be pleased to contribute to any future consultations or working groups

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