

15 September 2025
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

RE: Adaptable Workforce Inquiry – Interim Report

Dear Commissioners,

The Air Conditioning and Mechanical Contractors' Association of Australia Limited (AMCA) welcomes the opportunity to provide feedback on the *Adaptable Workforce* interim report. AMCA represents the specialist contractors who design, install, commission, and maintain Australia's heating, ventilation, air conditioning and refrigeration (HVAC&R) systems. These systems are critical to the safe and continuous operation of hospitals, aged care, laboratories, data centres, defence facilities, and the broader built environment.

Unequivocal Rejection of OER Removal

The Air-conditioning and Mechanical Contractors' Association (AMCA) unequivocally rejects the Productivity Commission's proposal to weaken or eliminate occupational entry requirements (OER) for air-conditioning and refrigeration trades.

This recommendation is not only misguided but dangerous. It would dismantle long-standing safeguards designed to keep Australians safe, protect the environment, and maintain essential technical standards.

The current requirement of a Certificate III level apprenticeship is not a barrier to entry – it is a minimum life-safety requirement. Removing or diluting this requirement would expose the community to:

- A higher risk of serious workplace accidents and fatalities;
- Catastrophic failures in safety-critical facilities such as hospitals and aged care; and
- Widespread environmental damage through refrigerant leakage and mismanagement.

The Irreplaceable Role of the Certificate III

Air-conditioning and refrigeration work is one of the most technically complex of all building trades. Practitioners must manage:

- Electrical interfaces and low-voltage systems;
- Dangerous and environmentally sensitive refrigerants; and
- Hazardous environments, including work at heights and in confined spaces.

General workplace laws or short courses cannot manage these risks. Only a structured apprenticeship at Certificate III level, combining theoretical training with thousands of hours

of supervised on-the-job experience, can produce a technician capable of safely performing this work.

The *Ozone Protection and Synthetic Greenhouse Gas Management Act* rightly mandates that an Australian Refrigerant Handling Licence may only be issued to those holding a Certificate III in air-conditioning and refrigeration. This framework ensures consistency and integrity across all jurisdictions. Weakening it would be a direct threat to both safety and compliance.

Escalating Risks with New Refrigerants

The risks associated with refrigeration and air-conditioning work are intensifying. As Australia phases down high global-warming potential (GWP) refrigerants to meet international obligations, the industry is increasingly adopting natural refrigerants (such as CO₂ and hydrocarbons) and new synthetic blends. Some of these include refrigerants like R32 (A2L) and R290-propane (A3), which have stronger flammability characteristics. Handling these refrigerants without rigorous training carries significant fire and explosion risks. Therefore, ensuring that technicians are properly qualified at the Certificate III level is more critical than ever, not less. Any weakening of entry requirements would be reckless in the face of these evolving challenges.

Substitution by other trades is unsafe and inappropriate

The interim report's claim that plumbers and electricians in Queensland have undertaken AC&R work "with no evidence of poorer quality or riskier work"

adaptable-workforce-interim is both unsubstantiated and reckless.

Plumbers and electricians are highly skilled in their own domains, but RAC work is not their trade. The breadth of RAC expertise – refrigeration and compression cycle understanding, thermodynamics, airflow management, commissioning, and refrigerant handling – cannot be delivered through a short course or incidental training.

Allowing substitution by other trades would:

- Devalue and undermine the refrigeration and air-conditioning trade;
- Place unqualified workers in charge of life-safety and environmentally critical systems; and
- Introduce risks that may not show up in short-term statistics but will inevitably lead to system failures, refrigerant leaks, fire hazards, and compliance breaches.

Short-course training is not – and can never be – an acceptable substitute for a full apprenticeship. To suggest otherwise ignores the complexity of the trade and puts lives, property, and the environment at unacceptable risk.

Jurisdictional reality: Licensing and qualifications already protect safety and consistency

Far from being an outlier, RAC licensing and qualification requirements are embedded nationally:

- Queensland (QBCC) maintains multiple Mechanical Services licence classes — including *Air Conditioning & Refrigeration (Occupational)*, *Limited Design*, *Unlimited Design*, *Mechanical Services – Plumbing*, and *Air Handling Duct Installation* — covering installation, commissioning, design scope, and ductwork. These classes codify competency and scope boundaries for safety-critical work.
- New South Wales requires HVAC contractor, qualified supervisor, and tradesperson certificates for defined scopes of work, ensuring supervision and competency in practice.
- National refrigerant control: The RHL (ARCTick) applies uniformly across every state and territory — *no one* can legally handle refrigerants without meeting this national competency baseline.

The Commission's own text acknowledges that NSW requires Certificate III while Victoria uses competency-based pathways and that other trades are performing some QLD work. Still, it then leaps to infer "no evidence" of higher risk and recommends liberalising NSW entry pathways. This is a selective reading that ignores the actual requirements underpinned by the Cert 3 and the national refrigerant licensing framework, and the detailed, risk-based licence classes that jurisdictions already operate.

Preserving Safety, Professionalism, and Workforce Development

Maintaining the Certificate III standard is essential to:

- Protect community safety and environmental compliance;
- Ensure confidence among employers, regulators, and consumers;
- Preserve the professional standing of the RAC trade; and
- Maintain a strong, attractive career pathway at a time of national skills shortages.

Weakening this standard would not improve adaptability — it would erode public trust, weaken skills, and undermine Australia's capacity to transition to next-generation refrigerants safely.

Recommendation

AMCA strongly urges the Commission and Government to:

1. Immediately reject any proposal to weaken or remove occupational entry requirements for air-conditioning and refrigeration.
2. Reaffirm the Certificate III apprenticeship as the only safe and appropriate entry pathway for the trade.
3. Acknowledge the heightened risks associated with introducing more flammable refrigerants, which demand more training, not less.
4. Recognise RAC work as distinct and non-transferable, not substitutable by plumbers or electricians with short courses; and
5. Redirect reform efforts toward harmonising licensing nationally and addressing genuine barriers to workforce mobility — not dismantling core safety safeguards.

Closing

The Productivity Commission's interim proposal represents a serious and unacceptable threat to public safety, environmental compliance, and the integrity of the refrigeration and air-conditioning trade. Far from enhancing productivity, it risks creating a workforce of inadequately trained individuals whose lack of training beyond their trade or reduced trade training could have serious consequences.

Australia cannot afford such a regression. AMCA and its members stand ready to provide detailed evidence and appear before the Commission to demonstrate why this recommendation must not proceed.

Yours sincerely,



Scott Williams
CEO

Air Conditioning and Mechanical Contractors' Association of Australia Limited (AMC)