ENERGY SKILLS AUSTRALIA

Energy Skills Australia

Submission to the National Competition Policy Analysis 2025 Submission Paper

For the Australian Government Productivity Commission

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Introduction

Established by industry for industry in 1995, Energy Skills Australia (ESA), has been representing the energy sector for over 30 years as an independent, not for profit, bipartite company committed to supporting high quality training and workforce development within and beyond the energy industries.

Providing industry stewardship, we exist to ensure Australia's energy sectors have access to a highly skilled and effective workforce in following energy related industry sectors:

- Electrotechnology
- Electricity Supply Industry - Generation
- Electricity Supply Industry -Transmission, Distribution and Rail
- Gas

We provide advice and expertise to industry and government bodies such as electrical regulatory bodies. Additionally, we oversee a suite of learning and assessment resources, and accredited courses designed to provide quality and consistent outcomes for apprenticeship and post-trade training.

Our membership and board are made up of various industry bodies such as the National Electrical and Communications Association (NECA), Master Electricians Australia (MEA), the Electrical Trades Union of Australia (ETU) and the Australian Services Union (ASU). Our highly experienced board members provide ESA with the necessary direction, governance and oversight needed to ensure we are well placed to represent the views of industry.

ESA has established strong working relationships with key industry stakeholders, Governments, the Vocational Education and Training (VET) sector and regulatory authorities within Australia and internationally.

Critically, it is these relationships and our deep connection to industry that enable us to support employers and workers as they navigate the significant and growing challenges associated with workforce capacity, licensing complexity, and regulatory fragmentation — particularly as Australia transitions to a clean economy driven by renewable energy, advanced infrastructure, and emerging technologies.

We appreciate the opportunity to contribute to the review the National Competition Policy analysis 2025. We look forward to further engagement with the Productivity Commission as this important review progresses.

Overview

The Australian Government has announced its intention to develop a national licensing scheme[1] for electrical tradespeople, working in partnership with states, territories, businesses, and unions. This reform forms part of the broader National Competition Policy (NCP) agenda, supported by a $900 million commitment to the National Productivity Fund.

The Productivity Commission has estimated that occupational licensing reform could deliver up to $10.3 billion in economic benefits, with national licensing expected to improve productivity, reduce regulatory duplication, and address critical labour shortages—particularly in high-demand sectors such as housing construction and clean energy.

This reform follows increasing recognition of the limitations of the current state-based licensing framework, which imposes differing eligibility requirements, license scopes, and compliance standards across jurisdictions. These inconsistencies create barriers to workforce mobility, add costs for businesses, and reduce the efficiency of project delivery across borders.

Electrical trades are among the first occupations proposed for national licensing, reflecting both their economic importance and the high-risk nature of the work. Licensing for electricians is currently regulated separately in each state and territory, resulting in inconsistent eligibility requirements, license scopes, and compliance regimes across jurisdictions.

This creates challenges for:

- Workforce mobility, particularly for contractors and employees working across state borders
- Project delivery, including large-scale clean energy and housing construction projects
- Regulatory certainty, especially in emerging areas such as offshore wind development, where project sites often span multiple jurisdictions

However, while national licensing promises to reduce red tape and improve workforce flexibility, it must not come at the expense of public safety or work quality. Electrical work is a high-risk occupation governed by strict technical, compliance, and safety standards. Any move to harmonise licensing must therefore uphold the highest existing standards, and ensure that training, supervision, and compliance measures are consistent nationwide.

Australia's existing licensing frameworks for electricians are underpinned by strong regulatory systems and supported by nationally endorsed qualifications and units of competency in the training system. These provide a solid foundation for reform. A well-designed national licensing scheme can improve mobility and productivity while maintaining – or even strengthening – safety and quality benchmarks.

This context informs the consultation process on how national licensing can be implemented in a way that meets both economic and safety imperatives.

[1] https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/national-licensing-electrical-trades

Response to Consultation Questions

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

High-risk, safety-critical occupations such as electrical trades are ideally suited to a national licensing scheme due to the serious public and worker safety risks involved, including electric shock, arc flash, and fire hazards.

The scheme should cover the following electrical occupations:

- Electrician
- Electrical Transmission Lineworker
- Electrical Distribution Lineworker
- Electrical Cable Jointer
- Electrical Fitter
- Restricted Electrical Licence (REL) holders across multiple applications:
    - Refrigeration & Air Conditioning
    - Water Heater & Gas Appliances
    - Electronics
    - Instrumentation and control
    - Motors
    - Electrical Appliances
- Supervised Worker's Licence holders (including electrical apprentices and skilled migrants)
- Electrical Contractors

Licensing systems across jurisdictions currently differ significantly in terms of structure, scope, and training requirements. This creates inefficiencies, restricts mobility, increases costs, and undermines safety and compliance. A national scheme would eliminate these barriers while maintaining – and ideally lifting – safety and competency standards.

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

1. **Establish a National Occupational Licensing Authority.**
   Form a national authority underpinned by Commonwealth legislation, with a dedicated CEO and governance structure.

2. **Create a National Electrical Licensing Advisory Committee.**

    a. Including representation from:

        i. All state/territory electrical regulators through the Electrical Regulatory Authorities Council (ERAC)

        ii. Energy Skills Australia (ESA)

iii. National Electrical and Communications Association (NECA)

iv. Master Electricians Australia (MEA)

v. Electrical Trades Union (ETU)

Consideration could be given to consulting with other regulatory bodies, Unions and Employer Associations related to specific occupations such as Refrigeration and Air Conditioning which currently has a licensing framework for refrigerant handling.

b. Tasked with designing a high-standard, harmonised national licensing framework

3. **National consultation strategy**
   Engage unions, employers, regulators, training bodies, and workers to shape a model that reflects current best practices and safety benchmarks.

4. **Harmonise legislative requirements**
   Align training duration and requirements to ensure consistency and confidence. Implement standardised continuing professional development (CPD) processes to capture increasing industry advancements and updated legislative requirements. Implement common licence classes and compliance measures across jurisdictions.

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?

National Occupational Licensing Scheme (NOLS) failed due to:

- No formal Commonwealth legislative foundation—states retained control
- A flawed “lowest common denominator” model that threatened strong safety standards, rather than implementing best practice models
- Poor cost modelling and consultation
- Lack of meaningful industry engagement leading to stakeholder concerns of the process being overly bureaucratic
- Different structures in state and territory regulatory frameworks, inspection regimes and cost recovery models

A renewed attempt should:

- Consider developing federal legislation and clear regulatory roles
- Pursue a best practice standard across jurisdictions
- Invest in genuine consultation and co-design with stakeholders
- Provide strong, independent project governance with defined milestones
- Ensure harmonisation without compromising jurisdiction-specific risks

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

National licensing offers comprehensive reform that AMR cannot match:

Issue	AMR Limitation	National Licensing Advantage
Legislative Confusion	Workers remain subject to different state laws with no consistent training	One set of legislative requirements for all license holders
Safety & CPD Gaps	CPD bypassed if not required in the home state	Uniform CPD embedded in licensing
Administrative Burden	Grey areas in residence rules still require license transfer	No transfer—one licence for all states
Insurance	AMR doesn't harmonise insurance requirements	National insurance standard can be mandated
Enforcement & Compliance	Cross-border enforcement is inconsistent	National regulator with aligned compliance powers
Licensing Consistency	Licence names and scopes vary	Unified licence definitions and scopes

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

1. Productivity Modelling: Quantify time and cost savings from reduced administrative burden on workers and employers (e.g. licence fees, applications, delays).
2. Labour Mobility Gains: Measure improved availability of skilled labour for renewable energy projects, infrastructure rollouts, and emergency responses.
3. Safety Outcomes: Track reduction in safety incidents and compliance breaches due to standardised CPD and testing requirements.
4. Training System Efficiency: Monitor alignment of RTO delivery and training package outcomes with one set of national licensing requirements.
5. Case Studies: Compare projects that span state borders (e.g. offshore wind) with and without national licensing in place.

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?

Yes, there are areas where harmonisation could reduce complexity and support trades and mobility however, harmonisation must not come at the expense of safety quality, or Australia' sovereign regulatory capability. The electrical sector is one such area under review, particularly with the introduction of a national licensing scheme for electricians. In this context, adoption of international standards should be selective and carefully reviewed for Australian suitability, especially given our unique conditions.

The EL-001 Technical Committee for electrical installations, of which Energy Skills Australia is a member, is actively considering and adopting international standards—but only where appropriate. For example, Australia's unique earthing system (used only in a few countries globally) is a critical safety feature that must be preserved. Adoption of overseas standards should not be an automatic given.

Priority sectors for reform and careful harmonisation include:

- Electricians
- Clean energy infrastructure (e.g. offshore wind, solar installations, smart grids)
- Construction and housing

What is the impact of a lack of harmonisation (e.g. on compliance costs for export, import or multinational businesses, product range, prices, quality, competition, innovation and international trade and investment)?

A lack of harmonisation increases:

- Compliance costs for business operating across borders or exporting
- Barriers to labour mobility, particularly in sectors like electrical trades where different state regulation and licensing requirements apply
- Risk of Safety Failures: Inconsistent licensing and CPD leads to non-uniform competencies and compliance gaps

However, full harmonisation without contextualisation can have negative effects. If international standards are adopted without recognising Australia's specific frameworks partially around electrical safety, it may Introduce unsuitable or incompatible systems into Australian infrastructure not to mention reduces public trust in regulatory processes.

What are the barriers to greater harmonisation?

Barriers to achieving greater harmonisation across occupational licensing systems in Australia, particularly in the electrical trades include:

- Jurisdictional Sovereignty Concerns

Each state and territory retain legislative control over electrical licensing. This has resulted in varied licensing structures, training pathways, and compliance frameworks. Governments may be reluctant to relinquish this control to a national authority without guarantees that their safety and regulatory standards will be maintained or improved.

- Australia's unique infrastructure needs, especially in electrical safety.

Many international standards are not designed with this context in mind. Automatically adopting them could compromise safety, introduce technical incompatibilities, and overlook local risk factors. That's why committees like Standards Australia's EL-001, which includes Energy Skills Australia, assess and adopt international standards when appropriate and once reviewed by technical experts.

- Inconsistent Stakeholder Buy-In

Past reforms, like the failed National Occupational Licensing Scheme (NOLS), were hampered by inadequate stakeholder engagement. Without consensus from unions, industry, regulators, and training providers, reform efforts will continue to stall.

- Lack of National Legislative Infrastructure

AMR has highlighted the limits of mutual recognition without harmonised standards. A national licensing framework needs a clear legislative foundation at the Commonwealth level to overcome piecemeal implementation across the states.

- Offshore Wind and Cross-Jurisdictional Infrastructure

As the offshore wind industry progresses in Australian waters, regulatory inconsistency becomes a growing concern. Currently, the licensing requirements of the nearest state or territory apply to offshore wind projects. This creates regulatory overlap for projects that straddle state boundaries or span multiple jurisdictions. It also impedes labour mobility for the construction, operation, and maintenance of offshore wind assets—particularly when workers must hold multiple state licences to work across an offshore project zone.

For sectors where regulators can mandate standards by incorporating international standards as in force from time to time or accept overseas conformity assessments and approvals (e.g. road vehicles, therapeutic goods, agricultural and veterinary products, maritime, industrial chemicals and, most recently, consumer products), how is this operating in practice?

Where regulators can mandate standards by referencing international norms (e.g. in road vehicles or therapeutic goods), the approach works best when:

- There is full transparency in the adoption process
- International standards are adapted to local conditions
- Stakeholders are actively involved in standard development, including public, employer, and union consultation

Are there any reforms that should be made to Australia's standards and conformance infrastructure to support greater harmonisation while still addressing specific Australian risks and objectives?

1. Maintain Expert Oversight Through Standards Australia

Preserve Standards Australia's independent, transparent, and consensus-driven process. Technical Committees play a critical role in assessing whether international standards are appropriate for adoption in Australia—particularly in high-risk sectors like electrical.

2. Strengthen Domestic Harmonisation First

Internal fragmentation is one of the largest inefficiencies. Harmonise legislative requirements across states and territories by:

- Aligning training duration and licensing requirements
- Establishing common license classes and scopes of work
- Implementing nationally consistent continuing professional development (CPD) standards to keep pace with technological change and updated safety regulations
- Streamlining compliance and enforcement frameworks to reduce complexity and risk

3. Engage Key Industry Stakeholders in Standards and Licensing Reform

Effective reform must be shaped through broad consultation. Engage unions, employers, regulators, training bodies, and workers to co-design systems that reflect best practice, protect public safety, and support workforce mobility.

What measures could support access to international standards incorporated in Australian regulation?

1. Apply Equal Governance Rules

All standards, including those developed by international bodies, must be subject to the same level of transparency, public consultation, and scrutiny as Australian-developed standards before being incorporated into regulation to ensure their suitability to Australian wiring rules.

2. Contextualisation for Australian Conditions

Ensure that standards incorporated into regulation are accompanied by Australian-specific implementation notes, especially in high-risk sectors like electrical, where local systems differ from global norms.

These notes can highlight where international standards have been modified or adapted to suit Australian infrastructure, environment, or laws.

3. Integration into Training and Licensing Frameworks

Embed international standards adopted into regulation within national training packages, CPD requirements, and licensing materials, so that industry is automatically educated through formal pathways.

This reduces the burden on individuals to seek out or purchase standards independently.

4. Subsidised or Free Public Access

Where both International and Australian standards are incorporated into legislation or mandatory licensing requirements, governments should subsidise or fully cover the cost of access.

This would ensure that tradespeople, small businesses, apprentices, and educators are not financially excluded from understanding the regulations they are legally required to follow.

5. Stakeholder Awareness through industry.

Conduct regular information sessions and workshops in partnership with industry associations, unions, and regulators to raise awareness of applicable international standards and how to access and interpret them.

Which sectors or policy areas need reform to further promote competition

- Energy & Renewables
- Electrical and Mechanical Trades
- Construction & Infrastructure
- Health & Allied Services
- Telecommunications

These sectors are high-growth and innovation-intensive. Removing regulatory duplication will reduce barriers to entry, boost productivity, and support Australia's transition to a net-zero economy.

Summary

As a first step towards implementing occupational licensing reform, the establishment of a National Occupational Licensing Authority is critical. Electrical licensing is currently managed independently by each state and territory, resulting in fragmented standards and compliance requirements that restrict labour mobility and create unnecessary complexity—particularly for national and cross-jurisdictional projects like offshore wind developments.

A national authority would provide a centralised framework to streamline licensing, allowing electricians to work across all jurisdictions without reapplying for multiple licences. This would significantly reduce regulatory duplication, increase workforce flexibility, and support the timely delivery of infrastructure and clean energy projects.

To ensure success, it is essential that the authority is established in collaboration with key industry stakeholders, including:

- Electrical Regulatory Authorities Council (ERAC) – representing state and territory regulators.
- National Electrical and Communications Association (NECA) – employer representation.
- Master Electricians Australia (MEA) – employer and small business representation.
- Electrical Trades Union (ETU) – worker representation.
- Energy Skills Australia (ESA) – industry-led national skills body and Standards Australia committee member.

This coordinated and inclusive approach will ensure that any national licensing model reflects the highest safety standards, practical workforce realities, and the shared expertise of regulators, employers, unions, and training organisations.

Contact

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