

National Electrical Licensing

**Productivity Commission Inquiry
Occupational Licensing
May 2025**

NECA Overview

The National Electrical and Communications Association (NECA) is the leading industry body for Australia's electrical and communications sectors. With branches in every State and Territory, NECA represents more than 6,500 businesses across diverse industries, including construction, mining, air conditioning, refrigeration, manufacturing, communications, and renewable energy. These businesses specialise in the design, installation, and maintenance of electrical systems and electronic equipment, driving innovation and excellence across the country.

Occupational Licensing

In making its submission to the Productivity Commission's inquiry into reforms to promote productivity growth, NECA is appreciative of the Commission's focus in the area of occupational licensing.

As stated in the Commission's discussion paper relating to the inquiry, licensing requirements for the same occupations can vary significantly across jurisdictions. NECA recognises the body of work that has been undertaken on the merits and economic benefit of National licensing for the electrical industry. In particular the modelling already taken by the Productivity Commission as part of the 2024 National Competition Review.

Detailed analysis and consultation were undertaken in the preparation of the Regulatory Impact Statements in 2009 and 2013, following the decision in July 2008 for the Council of Australian Governments (COAG) to undertake a program of wide-ranging regulatory reform, to reduce costs incurred by business in complying with inconsistent regulation across jurisdictions.

The paper identified well known inconsistencies between State jurisdictions resulting in up to eight different approaches to setting licensing requirements. These differences highlighted discrepancies between parameter, eligibility and training requirements, posing an unnecessary burden on businesses operating across state jurisdictions.

Broadly in line with how these definitions were described in the RIS, NECA would state that National Licensing and Automatic Mutual Recognition be characterised as encapsulating the following attributes:

National licensing

Under this option:

- *There would be a single policy approach to license categories, scopes of regulated work and the eligibility requirements to obtain a license. This would allow a person to work anywhere in Australia where the relevant work is licensed without having to reapply for a license or pay any additional fee when operating in a different state to that which issued the license.*
- *A national licensing register would be established.*

Automatic mutual recognition

Under this option:

- *Each jurisdiction would continue to issue licenses against existing jurisdictional categories and associated scopes of work but with these licenses being recognised by all states and territories without the licensee having to reapply for a license or pay an additional fee.*
- *Recognition would be restricted to those licenses where equivalency has been declared.*
- *There would be opportunity over time to move towards a 'harmonised set of categories' or for jurisdictions to deregulate areas identified as unnecessary.*

(Decision Regulation Impact Statement, COAG p14 2013)

Automatic Mutual Recognition (AMR) v National Licensing

Stakeholder Consultation carried out as part of this process found that only 8 per cent of submissions supported a AMR option. This is largely due to the fact that AMR still has a higher burden of administrative and red-tape burden.

The key differential between National Licensing and AMR is summarised in our view quite correctly in the RIS "National licensing involves each of the jurisdictions agreeing to a common set of license categories and eligibility requirements so that there is one system and an agreed set of requirements throughout the country". It is through the setting of agreed set of requirements that ensures as addressed in the RIS that:

- *A licensee would be able to work anywhere in Australia without having to reapply or pay for a licence when they move to another jurisdiction within Australia.*
- *A centralised licensing body would be established to develop policy for each occupational area and would oversee its consistent application by jurisdictional regulators.*
- *National licence policy includes:*
 - *the licence categories that should apply*
 - *the regulated work that can be undertaken by the holder of a licence category*
 - *who can apply for a licence*
 - *skills-based and non-skills-based eligibility requirements (e.g. qualifications, personal and financial probity)*
 - *other licence characteristics (e.g. exemptions or exclusions).*
- *Jurisdictional regulators would administer the system as delegates of a centralised body under the National Law.*

The key differential between AMR and National Licensing being the red tape burden of administrative processes associated with verifying requirements and eligibility for licensing which currently exists under AMR models.

Despite well-intentioned reforms, AMR is currently falling short of its promise to reduce red tape and support a truly mobile workforce. In practice, electrical contractors and tradespeople are still required to navigate multiple, complex administrative processes to verify their eligibility and scope of work each time they seek to operate across state borders. This not only diverts valuable resources away from productive activities, but also introduces unnecessary delays in project mobilisation—particularly for large national contractors and employers engaged in time-critical infrastructure delivery. Reports from NECA members indicate frequent hold-ups due to differences in the recognition of qualifications, the need to register with multiple state authorities, and confusion arising from inconsistent application of licence categories. Ultimately, these administrative hurdles undermine the intent of mutual recognition and directly constrain the ability of businesses to deploy skilled labour where it is most urgently needed.

Improved Quality and Safety through Uniform Regulatory Standards

Implementing a national licensing scheme will not only enhance productivity but also significantly improve the quality and safety of electrical work across Australia. Uniform national standards ensure that all licensed individuals meet the highest regulatory requirements for skills, qualifications, and professional conduct, regardless of where they operate. This consistent approach reduces the risk of substandard workmanship and ensures that best practice is maintained in every jurisdiction. Enhanced regulatory oversight and a unified compliance framework provide greater assurance to clients, industry participants, and the community that electrical work is performed to the highest standard of safety and reliability. In an industry where public safety and asset protection are paramount, a national licensing model represents the most effective means of safeguarding both industry reputation and community wellbeing.

Implementation

NECA can foresee that a key aspect in carrying such a proposal forward will again require agreement and discussion around areas of responsibility delegated to the relevant State and Territory regulators, and the setting of uniform regulatory standards in areas including but not limited to

- Inspection of work
- Monitoring of compliance
- Referral of significant non-compliance by licence holders
- Electrical incident reporting and investigation
- Revenue streams

Adopting a true national licensing regime will directly lift productivity by enabling

electrical contractors and tradespeople to work seamlessly across jurisdictions without redundant administrative impediments. By establishing a single set of national standards, a centralised register, and uniform eligibility requirements, businesses will be able to deploy skilled labour more efficiently and respond rapidly to fluctuating demand across the country. This streamlined approach will reduce regulatory duplication, minimise project delays, and drive down the cost of compliance, freeing up both time and capital to be reinvested in workforce development, innovation, and business expansion.

In short, a robust national licensing framework is an essential enabler for maximising productivity and competitiveness in Australia's electrical and communications sectors, particularly as the nation accelerates delivery of large scale renewable energy, electrification, and critical infrastructure projects.

Standards

In principle, NECA agrees that there is value in examination and adoption of international standards around the compliance of electrical equipment after review for suitability of such standards.

NECA does however have concerns with the premise of automatic, complete or direct adoption of any international installation and equipment standards. Australia has a proven practice of reviewing international technical standards and adopting suitable parts into relevant Australian standards. Examples include the standards for inverter connected electrical installations (AS/NZS 4777 series) and solar arrays (AN/NZS 5033) and reflect these in central standards for the electrical trade such as the Australian and New Zealand -Wiring Rules for Electrical Installations (AS/NZS 3000). In such cases, Standards Australia convene committees and consultation processes to review relevant international standards and adopt many of the contents on the basis of a non-reduction of safety standards for the Australian community, and relevance for local Australian requirements. Such processes ensure the Australian electrical industry continues to provide best practice in maintaining standards for the benefit of the community.

In contrast to the largely effective development of standards themselves - conformity assessment procedures for equipment in the electrical sector are determined by state-based legislation and associated jurisdictional regulators. It was anticipated that the Electrical Equipment Safety Scheme (EESS) would deliver a harmonised approach to conformity assessment. After a period of over ten years, this has failed to eventuate. Currently, there are only two states that have adopted relevant EESS legislation. Recently proposed changes to EESS are creating a further divergence between EESS states and other states.

This lack of harmonisation creates uncertainty for industry and significantly drives up compliance costs. Just like the proposal for national occupational licensing, harmonised conformity assessment would deliver productivity benefits to Australian industry.

Other matters – Access to Standards

For all of the good work undertaken to develop, integrate and maintain standards, often with the voluntary contributions of individuals and organisations, access to those documents is deterred and restricted by the business model of Standards Australia.

To give a specific example, the general standard to which electrical work must comply in every Australian jurisdiction is AS/NZS 3000:2018 Electrical Installation (known as the Australian/New Zealand wiring rules) which also then refers to associated or complementary technical standards for specific equipment or specialised installations (eg **Electrical Installations: Patient areas** - AS/NZS 3009:1998: Electric installations—Emergency power supplies in hospitals, AS/NZS 3003:2011 Electrical installations - Patient areas.) All of these standards are only accessible via subscription payments to Standards Australia and very restricted ability to print in whole.

This unfortunate business model means that the documents that define the standard to which licensed electricians and contractors are bound by law is only accessible via a pay-wall which then also restricts the ability of individuals and organisations to print out and deploy in the most appropriate form. Each standard is treated in this way, and although access to the short list of curated standards is possible, each additional standard is subject to further charges.

Furthermore, whilst Registered Training Organisations (RTO's) can access and educate their students (apprentices and post-trade) with the standards at the RTO, those students don't necessarily have ready access to those standards on-site to either reinforce learnings or ensure compliance.

By comparison, recognising that consumer and industry outcomes are better served by ensuring easy access to relevant technical standards, registered electrical workers in New Zealand are able to access numerous standards free of charge.¹

In short, NECA recommends that any Australian Standards that are required by regulation, building codes, or otherwise represent an enforceable outcome should be freely accessible to those trades/vocations required to apply them.

In the case of licensed or registered electrical workers, this should include AS/NZS 3000 and associated electrical installation and equipment standards.

Current arrangements, which limit access to digital-only versions and prevent printing, pose genuine challenges for apprentices, trainers, and TAFE instructors. These arrangements also run counter to established industry practice in Australia, where it is standard for tradespeople and apprentices to carry a printed, often annotated, copy of the relevant standard in their vehicle for regular site reference. The ability to refer to and mark up these documents on site is not a matter of convenience but a basic requirement for high quality and compliant work. Top tradespeople rely on these copies daily to resolve technical queries and ensure best practice.

Ensuring that key standards are made available free of charge, both digitally and in printed form, through TAFE and registered training providers, would support safer and more consistent outcomes for apprentices and the broader industry. This approach

¹ <https://www.ewrb.govt.nz/resources-2/toolbox/which-standards-apply/>

would remove unnecessary barriers, promote fair and safe work, and strengthen the alignment between training and industry practice. Providing free access to those standards that are routinely required by law, by contract, or by licensing frameworks is not just practical; it is an obligation that aligns with Standards Australia's government-sanctioned role.

NECA urges Standards Australia, together with government and industry, to ensure that every tradesperson, apprentice and trainee can obtain the standards they need, in the format they require, at no cost to themselves. Such a change will support the current and next generation of skilled workers and uphold the public interest in safety, compliance, and technical excellence.

We thank you for the opportunity to make a submission on this vital area of reform. We would be happy to expand on any of the issues raised above.