

National Competition Policy Analysis

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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.