MASTER BUILDERS
AUSTRALIA

Submission to the Treasury's National Licensing for Electrical Occupations

A Better, Safer and Fairer Building and Construction Industry

September 2025

WHO WE ARE

Master Builders is the nation's peak building and construction industry association, which was federated on a national basis in 1890. Master Builders' members are the Master Builder State and Territory Associations. Over 130 years, the Master Builders network has grown to more than 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors: residential, commercial, and civil construction.

The Master Builders network also delivers vocational education and training through its network of registered and group training organisations across Australia. This includes trade qualifications in building and carpentry as well as ongoing professional development training.

Membership with Master Builders is a stamp of quality, demonstrating that a builder values high standards of skill, integrity, and responsibility to their clients.

Master Builders' vision is for a profitable and sustainable building and construction industry.

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NATIONAL LICENSING FOR ELECTRICAL OCCUPATIONS RESPONSE

Master Builders Australia takes this opportunity to respond to the issues papers released in August 2025 in relation to the proposal for the national licensing of electrical occupations (Issues Paper).

Master Builders understands that this proposal looks to cut red tape and help housing affordability by easing workforce shortages, enhancing competition and facilitating movement across the country of licensed electrical occupations.

Master Builders broadly supports moves to further those aims.

Skill shortages in the building and construction industry are one of the most entrenched handbrakes on supply. Buildskills has identified that the construction industry needs around 116,700 additional workers to meet the objectives of the National Housing Accord[1]. The report also found that a five per cent boost in productivity would be the equivalent of adding 30,000 workers to the residential construction sector.

While a national approach to licensing will not 'solve' the building and construction industry workforce challenges, it can undoubtedly support productivity gains and greater efficiencies in the delivery of housing.

These reforms could reduce duplicative compliance costs, enable more efficient delivery of housing and infrastructure projects and improve responsiveness during natural disasters and periods of peak demand.

While the productivity benefits of a nation licensing approach are often cited as the driver of such reforms, moves stall for various reasons. These include jurisdictional requirements not only in relation to licensing but broader building regulations that impose requirements over and above those required to secure a 'ticket' to do the work, for example, financial arrangements linked to the issuing of a license.

The attempt to implement Automatic Mutual Recognition (AMR) bears out these challenges.

While AMR has improved mobility it has not resolved inconsistencies in license categories, training recognition, and contractor registration. As a consequence, electrical workers and employers continue to face barriers when moving across borders.

To see the benefits of a harmonised approach, these barriers must be investigated and overcome.

The Issues Paper sets out a range of key design elements of a national scheme. In response, Master Builders make the following recommendations regarding the necessary approach and elements required to move towards a national approach to the licensing of electrical occupations:

- **Review prior work on national licensing:** A resurrection of the registration of building practitioners that was produced by Australian Building Ministers several years ago, including for building qualifications and plumbing trade occupations.
- **Establish the framework based on robust analysis and consultation:** This would include work such as:

[1] Buildskills, Housing Workforce Capacity Study, 2025.

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- Comparative analysis of licence types and eligibility conditions across all jurisdictions, and a coordinated industry consultation process to identify equivalence issues and mismatches so that licence categories align where safety and competency permit.
- Consideration of 'how' a national scheme might work. As discussed in the Issues Paper 'recognition' can take various forms noting that identical regulatory frameworks are not necessarily an essential requirement.

- **Adopt a cautious approach with embedded and rigorous evaluation**: The use of pilot programs and evaluation points to ensure reforms deliver net benefits, do not introduce new unintended impediments, and allow regulators and industry capacity to adjust.
- **Secure jurisdictional commitment:** A binding commitment from jurisdictions to:
  - limit exemptions, noting that a national system could still recognise local requirements[2] tailored licensing arrangements embedded within a national scheme;
  - invest in regulator capability;
  - deliver robust recognition of prior learning pathways, retaining mutual recognition principles where effective; and
  - commit to interoperable digital credentials.
- Develop appropriate transitional arrangements. These must consider, for example:
  - operation and implementation of national technical training standards. This would also include targeted support for training and gap upskilling;
  - a period of dual recognition, where both national and state licences coexist. This would reduce regulatory risk during transition; and
  - clear grandfathering arrangements.
- **Use data to support a national approach,** for example a common national register and a robust data sharing framework can underpin workforce planning and enforcement and assist in measuring the success of a national approach.
- **Be mindful of any unintended consequences in our regions:** portability must not create unintended regional workforce shortages.

Master Builders response to the Discussion questions is set out below.

Response to Discussion Questions

1. Is AMR working well?

Automatic Mutual Recognition (AMR) is a useful mechanism that has reduced some barriers to interstate work. However, it remains incomplete and imperfect in practice as it still relies on separate state license systems that differ in scope and enforcement arrangements.

For instance, Queensland does not require many electrical licences and other jurisdictions apply exemptions or manual processes[3]. This means electricians still face notification requirements, fees and scope limitations when crossing borders. For large employers delivering projects across multiple states, this reduces efficiency and delays workforce deployment.

[2] See Queensland Productivity Commission Interim Report *Opportunities to improve productivity of the construction industry*, 2025.
[3] DEWR 2025; Energy Safe Victoria 2025

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As reflected in the Queensland Productivity Commission's 2025 Interim Report (Qld Interim Report)[4], national AMR should be implemented as standard practice, except in rigorously demonstratable circumstances where a jurisdiction's licensing arrangements deliver greater benefits to the community compared to other jurisdictions.

2. What would help it work better?

To make AMR more effective, governments should first commit to consistent implementation across jurisdictions, reducing transactional steps and duplicate fees that currently accompany interstate practice.

The Qld Interim Report emphasised that regulatory burdens are a major drag on productivity, with stakeholder feedback identifying licensing that is confusing to navigate, duplicative, prescriptive, and inconsistently applied as a key issue. To address this, there should be a comparative analysis of licence types and eligibility conditions across all jurisdictions, and a coordinated industry consultation process to identify equivalence issues and mismatches so that licence categories align where safety and competency permit.

Additionally, the Qld Interim Report highlights the need for mechanisms to improve the recognition of prior learning, reduce barriers for interstate and overseas tradespeople, and ensure licensing rules keep pace with industry needs rather than restrict entry or competition.

3. Have you or someone you employed worked outside of your home state?

Master Builders members commonly report real-world barriers when asked to work outside their home state, including lengthy and unpredictable approval processes. Delays often involve months-long periods of waiting for suitable registration authorities to recognise existing licenses, the need to complete extra paperwork and pay duplicate fees and legal uncertainty about the scope of practice, which slows deployment and increases project risk.

For instance, a carpenter in NSW working in residential and commercial construction only needs a licence for the residential work. There is no licence covering commercial, as it isn't required in NSW. In Queensland, by comparison, both residential and commercial carpenters must be licensed.

Under AMR, the NSW carpenter could work in Queensland as a residential carpenter under the conditions of their NSW license; however, they would not be able to work as a commercial carpenter. It is not inconceivable that the NSW licensed carpenter could unintentionally assume that AMR means they can conduct the same work (i.e. residential and commercial carpentry) in Queensland as in NSW.

4. Do electrical license types align well across jurisdictions?

No, the current misalignment is part of the reason AMR has had limited success.

As highlighted by the Issues Paper, licensing frameworks for electricians differ across states and territories. For example, New South Wales issues an "Electrical Licence" that covers a wide scope of work, whereas Queensland separates "Electrical Mechanic" and "Electrical Fitter" categories, each with its own limitations.

[4] Queensland Productivity Commission's 2025 Interim Report

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In some jurisdictions, additional categories exist, such as "Contractor Licences" or "Restricted Licences" for specific appliance or equipment work.

For example, in Victoria an A Grade Electrician's License permits a worker to carry out electrical installation work but they cannot legally contract to perform that work for profit unless they also hold a separate Registered Electrical Contractor License. Conversely, in Queensland, license categories are split into six different classes, including Electrical Mechanical and Electrical Fitter, with each having its own limitations.

This means that the Victorian A Grade electrician may not automatically be recognised as equivalent to a Queensland Electrical Mechanic without additional training. For multi-state employers, such as companies delivering large infrastructure projects, these misalignments delay workforce deployment and increase compliance costs.

5. Does electrical training differ significantly across jurisdictions or training providers?

Yes, training for electrical occupations differs across jurisdictions and training providers. This variation has practical impacts on mobility.

Although the national training package sets a baseline through the Certificate III in Electrotechnology, training delivery, assessment practices, and recognition of prior learning differ between Registered Training Organisations (RTOs) and jurisdictions.

For example, some RTOs emphasise workplace-based training, while others deliver more classroom-focused modules. Regulators may then impose different supervised hours or localised assessments before issuing a licence.

For overseas-trained electricians, this creates additional hurdles. An overseas qualified tradesperson, for instance, may be required to undertake bridging units, complete supervised local work experience, and pass a state-based exam before being allowed to work independently. These inconsistencies limit mobility and create uncertainty for both employers and workers.

6. What are the main causes of electrical safety incidents?

Electrical incidents[5] often stem from competency and supervision failures, where less-experienced workers are not adequately overseen while working on live circuits or installations.

Inadequate training or inconsistencies between qualifications also contribute, as workers may not have a uniform understanding of safety-critical practices such as lock-out/tag-out procedures. For example, electrocutions have occurred when linesworkers failed to isolate power before commencing maintenance[6].

Gaps in recognition of prior learning can also mean that workers are authorised to undertake tasks beyond their demonstrated skills.

Weaknesses in inspection regimes exacerbate the issue, as unsafe work may go undetected until a serious incident occurs.

[5] See for example: https://www.worksafe.qld.gov.au/news-and-events/alerts/incident-alerts/2024/fatal-incident-resulting-from-electric-shock-injuries
[6] See for example: https://data.safeworkaustralia.gov.au/profile/whs-profile-electricians

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Addressing these causes requires consistent technical standards, better training pathways, and properly resourced regulators.

7. Have changes in license rules across states and/or changes to qualifications affected electrical safety outcomes over time?

The question suggests that a causal link can be made between 'license rules' and safety outcomes, yet the Issues Paper does not provide any justification for such a link.

Improved safety outcomes can have many and varied reasons, including the fact that requiring a license for this type of high-risk work decreases the ability for unscrupulous individuals to carry out this work unlicensed, specific focuses on electrical safety across national and state safety regulators or different compliance and enforcement strategies.

Master Builders cautions against making unsubstantiated presumptions in relation to safety outcomes.

8. What kinds of electrical work should be included in a national licensing scheme?

National licensing should cover occupations where the productivity gains are most valuable.

Unrestricted electricians and electrical contractors fall into this category as they perform critical installation and maintenance tasks on housing, commercial, and infrastructure projects. Similarly, restricted licences commonly used for appliance servicing or air-conditioning installation should be harmonised because these workers are frequently required across multiple jurisdictions. For example, after a natural disaster[7] such as flooding in northern New South Wales, interstate electricians are urgently needed to restore power safely. A consistent national licence would allow rapid deployment without administrative delay.

9. Are the key elements above comprehensive?

The key design elements set out in the Issues Paper are broadly on point.

However, Master Builders refers to the recommendations set out in this submission for further consideration.

10. How should the above key design elements be incorporated into a national scheme?

Master Builders refers to the recommendations set out in this submission for further consideration.

11. What parts of existing license systems work well and should be kept in a national scheme?

Some aspects of current systems should be retained because they add value.

The apprenticeship pathway underpinned by competency-based training, provides a rigorous foundation for electricians, ensuring that licence holders have both theoretical knowledge and supervised practical experience.

[7] See for example: https://data.safeworkaustralia.gov.au/profile/whs-profile-electricians

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Mutual recognition principles[8], although imperfect, have reduced some duplication by allowing a licence in one jurisdiction to be recognised in another. The Productivity Commission[9] has found that, despite its limitations, the scheme has improved mobility and reduced some compliance burden.

Additionally, the enforcement powers of state regulators, such as inspection regimes in Queensland or compliance audits in Victoria, play a critical role in protecting safety and consumer trust.

A new national framework should preserve these elements by embedding competency-based apprenticeship training, retaining mutual recognition principles where effective, and maintaining state regulator enforcement capacity to ensure safety outcomes are not compromised.

12. What transitional arrangements are required?

To move toward national licensing without disruption, transitional measures are essential.

Grandfathering would allow existing licence holders to continue working without having to requalify, avoiding a sudden loss of workforce capacity.

As outlined in the Qld Interim Report, clear pathways for recognition of prior learning and overseas qualifications would ensure skilled workers can transition smoothly into the national framework.

Pilots and staged rollouts would allow testing of systems before full implementation. For example, beginning with unrestricted electrician licences and expanding to restricted categories after evaluation.

A period of dual recognition, where both national and state licences coexist, would reduce regulatory risk during transition.

Finally, funding support for training providers and regulators is essential to manage additional workloads, as highlighted by the Qld Interim Report's recognition that regulators require adequate capability to implement licensing changes effectively.

13. Which national licensing option do you prefer, and why do you think it would work well?

Master Builders recommends a phased national licensing model that starts with electrical trades, rather than relying solely on expanded AMR.

The Productivity Commission's Mutual Recognition Schemes report[10] found that while mutual recognition lowers some barriers and duplication, it does not fully address the misalignment of licence scopes, inconsistent training requirements, or regulatory divergence.

A phased model allows reform to focus first on occupations with high safety risk, frequency of interstate mobility, and where mismatches in licensing impose large costs.

By starting with a pilot or limited rollout of national licensing for electricians it becomes possible to establish uniform competency standards, align scopes of practice, and clarify enforcement

[8] See: https://www.dewr.gov.au/skills-support-individuals/mutual-recognition
[9] Mutual Recognition Schemes, Productivity Commission Research Report, September 2015
[10] ibid

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obligations across states, which would help other occupational licensing arrangements to shift towards a hybrid national-regional model.

Additionally, this approach would reduce compliance overheads for employers operating across multiple jurisdictions and support more responsive deployment of electricians for housing, infrastructure and disaster-recovery projects.

Consistency in licensing rules under a phased national scheme also supports planning for training supply and improving capacity in training providers, which has been identified as an often-neglected constraint[11].

14. Is there an alternative model that could better achieve improved labour mobility while maintaining safety and quality?

An alternative model that could achieve improved mobility while protecting safety would be a hybrid approach that pairs an enhanced AMR system with national competency standards, a central register and stronger interjurisdictional governance. However, Master Builders stresses that this hybrid must be backed by binding implementation commitments and meaningful industry co-design to avoid reproducing current inconsistencies.

As outlined in the Issues Paper, one example that could form a basis for implementing an Australian-specific model is the Canadian Red Deal Program. Master Builders would specifically draw attention to the fact that although each province and territory retains authority over trade certification and licensing, the Red Seal endorsement signals that a worker has met a nationally agreed competency standard.

Through this program, tradespeople can have their qualifications recognised across Canada without needing to undergo additional testing or retraining in another province. By reducing licensing duplication, it has supported faster deployment of workers to major projects, strengthened training alignment, and increased economic responsiveness in industries with fluctuating demand.

15. How could technology or data be better used to improve outcomes?

Technology offers powerful tools for improving efficiency and safety. A single national register of licence holders would provide real-time verification for employers, consumers, and regulators. A "tell us once" system could simplify the process of updating licence details across jurisdictions.

Standardised digital training and competency records would make qualifications portable and reduce duplication of paperwork. For instance, a digital credential linked to a worker's licence could confirm supervised hours and specialist competencies, eliminating disputes between states.

Data-sharing arrangements, such as those used by Safe Work Australia[12], could also enable a single point for incident reporting, improving transparency and allowing regulators to target enforcement.

Workforce data on vacancies and time to fill positions would support evidence-based planning and faster deployment during emergencies such as bushfire recovery.

[11] ibid
[12] See: https://data.safeworkaustralia.gov.au/insights/key-whs-statistics-australia/latest-release

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Conclusion

Master Builders Australia encourages the government to use this reform process to move beyond partial portability and establish a genuinely national licensing framework for electrical occupations between the federal, state and territory governments, and industry.

Broad occupational licensing frameworks are intended to protect public safety, improve consumer confidence and create clear minimum standards of competency across industries.

In practice, such frameworks can deliver long-term reductions in fatalities and serious injuries when combined with strong training pathways and effective enforcement. They also help maintain the integrity of qualifications and reduce the risk of unqualified work that undermines trust in the industry.

However, licensing that is overly fragmented across jurisdictions or excessively prescriptive can raise barriers to entry, increase costs for workers and employers and limit the ability of skilled people to move where they are needed most.

Poorly designed or inconsistent licensing regimes can slow project delivery, exacerbate skills shortages and add compliance costs without delivering proportional safety benefits.

The challenge for policymakers is to preserve the clear benefits of occupational licensing while designing a system that supports workforce mobility, economic efficiency and high-quality outcomes for consumers and businesses.

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