Electrical Trades Union

Building a Skilled and Adaptable Workforce - Response to Productivity Commission Interim Report

September 2025

About the ETU

The Electrical Trades Union of Australia ('the ETU')[1] is the principal union for electrical and electrotechnology tradespeople and apprentices in Australia, representing well over seventy-thousand workers around the country. The CEPU, of which the ETU is a part, represents more than one-hundred-thousand workers nationally.

Acknowledgement

In the spirit of reconciliation, the ETU acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all First Nations peoples today.

Introduction

The ETU welcomes the opportunity to respond to the *Building a Skilled and Adaptable Workforce: Interim Report,* issued by the Productivity Commission in August.

The ETU has consistently advocated for strong licensing provisions in the electrical and electrotechnology trades. Strong licensing provisions are critical to support the safety and quality of electrical work, maintain consumer confidence in electrical installations, and ensure the interoperability of electrical installations throughout whole industries through the application of consistent standards and practices. Association of the license with a robust and industry-led qualification framework supports a high degree of labour mobility for electrical tradespeople between jurisdictions and between parts of industry.

The Productivity Commission's interim report makes recommendations with respect to licensing which, if applied to the electrical trades, would significantly undermine safety of both workers and consumers. At times, the report notes that its analysis does not apply to high-risk occupations such as electrical trades, but it fails to clearly and explicitly articulate this with respect to its recommendations.

The ETU has long advocated for reform to strengthen the pipeline of workers in the electrical trades which is needed to meet the government's decarbonisation goals. The ETU supports measures to achieve a rapid expansion of the electrical trade to meet demand. This is not achieved by watering down licensing and training requirements, increasing risks for apprentices and consumers.

Successive programs of construction in electrical transmission, electrical generation and storage, data storage and processing, new industry, and household electrification must be delivered with investment in qualified workers who can move between different parts of the industry in response to demand. Efficient growth of the licensed workforce to meet demand requires a broad qualification that responds to the needs of those multiple industries.

[1]Being a division of the CEPU, a trade union registered under the *Fair Work (Registered Organisations) Act 2009* (Cth).

Fast-tracking apprenticeships by removing competencies from the Certificate III in Electrotechnology or reducing the level and duration of supervision requirements or on-the-job experience for apprentices would pose a significant danger to workers and consumers. The inherent risk of electricity, coupled with the invisibility of electrical faults, means that electrical work must be performed to a high level of rigour. This rigour can only be achieved through repetition and supervision. A university degree teaches until the student gets it right, an apprenticeship teaches until the apprentice can't get it wrong.

Similarly, unrestricted recognition of prior learning risks empowering dodgy trainers to "tick and flick" unqualified applicants. Qualification frameworks, pathways and recognition of prior learning are matters more appropriately considered in the specific circumstances of each industry by Jobs and Skills Councils (JSCs), drawing on the expertise of employers, unions and government members.

The primary limiting factors for growth of the trade are apprenticeship completion rates and availability of Vocational Education and Training (VET). It is not expected that targeting of apprenticeship incentives to small and medium enterprises (SMEs) will be an effective or efficient measure to address those barriers. Such incentives do little to improve apprenticeship completion rates. When compared with larger employers and GTOs, SMEs are less able to support an apprentice to completion of their apprenticeship and so present a greater risk of wasted investment.

Electrical License

The ETU welcomes the Productivity Commission's observation that electrical services, like medicine, involves work that can cause harm if performed incorrectly.[2] The ETU echoes the submission of Master Electricians Australia, noted by the Productivity Commission in its consideration of occupational entry regulations (OERs), that the electrical industry is a "*high-risk sector*" in which robust OERs are essential to "*ensure competency, uphold safety, protect workers and consumers, and maintain public confidence in the industry*". The electrical industry is one in which OERs are justified and attract broad industry and community support for their contribution to worker and public safety and assurance of competency and professional accountability for the benefit of consumers.

The ETU urges that the Productivity Commission exercise caution and restraint in the application of the OECD's OER stringency index. The index provides a measure of the comparative regulation between different professions and trades. It provides no insight into the purpose of regulation or the benefits derived from regulation in the circumstances of each industry.

Qualification reform and workforce planning is the remit of industry and not to be approached with a broad-brush or deterministic approach. Since 2023, JSCs have provided an industry voice in the design and implementation of qualifications in the Australian vocational, education and training (VET) system, to ensure that qualifications are responsive to needs of industry and strike an appropriate balance with the interests of workers and consumers. In the electrical and electrotechnology industry, Powering Skills Organisation Ltd has commenced a comprehensive

[2] Productivity Commission, 2025, *Building a skilled and adaptable workforce: Interim report*, Commonwealth of Australia, p. 53.

review of the electrotechnology training package. In this way, OERs are made to reflect the evolving demands of industry, technological advances and consumer preference in an in industry where regulation is indispensable for workplace safety, public safety, interoperability of electrical installations, labour mobility within and between parts of industry, and consumer confidence.

OERs in the electrical trade include licensing, Cert III qualification, and four years of professional supervision in the trade. Licensing facilitates registration checks by consumers, confirmation of qualification and training to a consistent industry standard, and instruction of apprentices under the supervision of appropriately experienced tradespeople. Those requirements have been developed by rigorous analysis with comprehensive industry engagement through the relevant Jobs and Skills Council, the Powering Skills Organisation (PSO). Engagement of PSO in the development of electrical qualifications and identification of core and elective units of competency within those qualifications has delivered a suite of OERs that deliver on the demands of industry,

Protecting the versatility of the electrical licence

The ETU strongly rejects the Clean Energy Council (CEC)'s proposal to develop an "industrial electrical license". The ETU agrees with the Commission's assessment that the CEC's proposal would reduce labour mobility by forcing workers to "obtain extra qualifications and licences to switch between jobs currently covered by a single licence".[3]

The electrical license is a general license and is purposely broad and comprehensive. Maintenance of consistent and broad skills base for all electricians through the licence ensures versatility for electricians in an industry that is susceptible to cyclical demand. The versatility of the electrical licence is especially important for electrical workers engaged in construction of transmission and renewable energy projects on a predominately fixed-term, single-project basis. It is equally important to ensure that government and industry investment in expanding the skilled labour base for the rollout of renewable energy can deliver a skilled workforce for subsequent projects in household electrification and new industry. It would be a disservice to apprentices to reduce the scope of their license and undermine the transferability of their trade across industries in service of the short-term interests of select parts of industry.

One justification provided by the CEC for the introduction of a narrower class of licence is the limited range of experience available on renewable energy projects. However, the lack of a full scope of experience in a workplace is not unique to the renewables sector, and has historically and regularly been dealt with in sectors as diverse as manufacturing and rail through periods of "industrial release", where apprentices are seconded to other industries to complete elements of their training profile. Whether by bilateral secondment between employers or through group training organisations (GTOs), models are already established for completion of apprenticeships while gaining experience across multiple sub-sectors.

Focusing apprenticeships only on industrial roles at the expense of broader trade exposure may reduce exposure to diverse electrical environments and systems, which is essential for developing well-rounded competence. The Senate Employment, Workplace Relations and Education References Committee observed in 2004 that reducing the scope of the electrical

[3] Productivity Commission, 2025, p.68.

licence may favour short-term employer erodes the trade's enduring standards and public trust in licensed electricians.[4]

Electrical apprenticeships in Australia, such as the Certificate III in Electrotechnology, are intentionally comprehensive. They require exposure to full project life cycles from planning and installation through verification across diverse environments (e.g. multi-phase commercial or industrial systems) to ensure competency. Trimming this exposure undermines a graduate's readiness for a wide range of job scenarios.

As industry moves toward clean energy, smart grids, digital systems and renewables, apprentices are required to have diverse and evolving skills sets. Training that's too narrow risks leaving new electricians unprepared for future technological shifts. It is expected that siloing of training within parts of industry as in the CEC proposal would result in a narrowing of skillsets, hampering innovation within and between parts of industry.

In contrast, national licensing reform is an opportunity for state and territory regulators to work with industry to harmonise licensing in the electrical occupations according to the highest standard. It has the potential to enable greater labour mobility of electrical workers, while providing the confidence that electrical work is carried out to the highest standards and safety outcomes for workers and communities. We know what the pathway to reform is and that process is underway. Proposals to fragment the license are an unnecessary distraction to this process.

Data availability

The report identifies that a key barrier to effective regulatory impact assessments of OERs is a lack of data on working conditions and safety risks.[5] Despite acknowledging this challenge, the report makes sweeping, unsubstantiated claims about the success of less stringent regulatory regimes.[6] We know first-hand that injuries are significantly underreported in the construction industry due to a culture of intimidation and coercion from employers to prevent compensation claims from being lodged. Such coercion may not rise to the legal threshold, but nonetheless permeates a culture of under or non reporting.

Even with the limited data available, costs are often underestimated. Compensation claims do not compensate for the full pre-injury income of the injured worker and have a reduction rate applied. Consistent with established cost-benefit principles, the worker wellbeing cost should be their direct cost (healthcare expense) plus their opportunity cost, which is their full pre-injury wage over the full injury period.

Continuing professional development

The report recommends that state and territory regulators eliminate regulations that exist in their jurisdiction but not in others, where evidence that the regulations improve outcome is weak.[7] The ETU emphasises the importance of adopting best practice in the process of rationalising OERs

[4] Senate Employment, Workplace Relations and Education References Committee (2003) https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_Employment_and_Workplace_Relations/Completed_inquiries/2002-04/building03/report/index, Accessed 10 September 2025, pp. 157-158.
[5] Productivity Commission, 2025, p. 71.
[6] "if an occupation operates effectively and safely under less stringent regulation in one jurisdiction, are more restrictive regimes necessary in others?"
[7] Productivity Commission, 2025, p. 62.

across jurisdictions, which may involve expanding regulations in lax jurisdictions for consistent safety and consumer protection, and other benefits. Continuing Professional Development, for example, is an OER that may accelerate innovation and adoption of new technology and best practice models across an industry. Especially as proposals for a national licensing system are progressed through the National Competition Policy framework, the ETU expects that the justification of OER systems between jurisdictions will adopt best practice in industry, not default to the lowest standard.

The report makes a nuanced assessment of the effect of Continuing Professional Development (CPD) in select industries, guided by the purpose of the CPD in that industry, the peculiar needs of the industry, and the exposure of the industry. The Productivity Commission argues for expansion of CPD in the education sector as a tool for increasing professional engagement, developing new skills and knowledge, and building capability to use new tools as they become available to the industry.[8] While the Commission points to OER changes as a potential cause for a reduction in the number of practising financial advisers, it affirms that a suite of OERs including CPD *"will continue to support the overall development of financial advisers"*.

Some states have introduced CPD as a condition of the electrical license, acknowledging that professional development is an essential component in electrical licensing. Continual training in skills like mandatory testing are essential for the adoption of new best practice and safe working methods. Continuing professional development (CPD) is a requirement of continuing license to perform electrical work in only a handful of jurisdictions. In those jurisdictions, CPD ensures that developments in technology and best practice are translated across the industry with consistency. This allows for electrical workers to be drivers of technological and safe working improvements in their workplaces.

CPD is of especial importance in the context of the energy transition. There is international evidence that electricians are the most trusted source of information for households on electrification. [9] This accords with the broad anecdotal experience in Australia. CPD provides a mechanism for ensuring that electricians are properly informed in providing such advice.

Mandatory Continuing Professional Development is something the ETU supports. In NSW we have seen serious issues raised about the quality of building standards. One of the reasons for this decrease in quality is the lack of CPD on various qualifications and licenses. Currently licenced electricians are not required to undergo further professional development or refreshing courses. With rapid changes in technology and the transition of the energy system, the ETU would consider a form of CPD to licenced electricians are retaining all the necessary skills, knowledge and techniques to maintain the highest level of safety and quality workmanship.

[8] Productivity Commission, 2025, p. 27.
[9] https://www.thirdway.org/memo/neighbors-and-the-rebels-joe-rogan-local-electricians-and-selling-non-college-men-on-clean-energy?utm_campaign=16354375-CEP%20Products&utm_medium=email&_hsmi=376411201&utm_content=376411201&utm_source=hs_email

Accelerated Apprenticeships

The ETU is concerned about the suggestion that "apprentices often obtain equivalent skills to a fully qualified tradesperson within two years" and that competence-based progression and recognition of prior learning" should allow early eligibility for apprenticeship graduation. Electrical apprentices in their third and fourth years undertake many tasks that a qualified tradesperson would perform, but they do so under direct supervision. This is an essential stage of the apprenticeship to ensure that training is being appropriately applied.

The report suggests that allowing apprentices to complete their classroom training before organising employment for on-the-job training would reduce barriers to entry. However, formal avenues already exist to allow apprentices to gain exposure to classroom training before committing to an apprenticeship. Specifically, the Certificate II already provides this foundational support function. While other prevocational courses have been implemented to provide exposure to the electrical trade, particularly for traditionally unrepresented cohorts. Further, it ignores the iterative nature of blended learning in apprenticeships, where workplace skills and classroom learning are used to mutually reinforce each other over time.

RPL

The ETU is concerned about recommendations that skills shortages be met by an expansion of recognition of prior learning (RPL). The application of RPL to electrical and electrotechnology qualifications is limited by the unique risks of electrical work, which have made it necessary to restrict performance of that work by implementation of strict licensing tied to a clear qualification framework. Assumptions that RPL delivers faster completion of qualifications do not hold for the electrical licence. A four-year period of work under the supervision of a qualified person is a critical component of the training, for assurance of safety practices and technical competency.

Licensing protects workers and consumers by maintaining a consistent qualification standard and ensuring that providers cannot 'tick and flick' underperforming students. For unlicensed occupations, or if licensing arrangements are watered down, trainers face substantial incentives to maximise their applications and therefore revenue by accepting RPL applications without due diligence, resulting in "qualflation" where the level of skill and competency guaranteed in graduates reduces over time.

The Senate Standing Committees on Education and Employment has observed since 2015 industry concern about "rogue providers opportunistically chasing funds" in the VET sector.[10] A further enquiry in 2024 observed industry concern that VET providers operated in "a poorly regulated market allowed the participation of private and non-profit VET providers with little to no experience in education and training".[11] There is a legitimate commonality of interest between industry, students, and VET providers without profit motives to ensure that RPL is not applied in a way that compromises the standard of skill and competency indicated by the qualification.

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[10] Senate Standing Committees on Education and Employment, 2015, *The operation, regulation and funding of private vocational education and training (VET) providers in Australia*, Commonwealth of Australia, pp.15-16.
[11] Senate Standing Committees on Education and Employment, 2024, *Shared vision, equal pathways*, Commonwealth of Australia, p.140, 145-147.

The ETU urges caution in the application of natural language processing to inform development of a national credit database. Natural language processing alone cannot accurately compare course outcomes across institutions and between VET and Higher Education qualifications. Language can often have different meaning in different occupations and in the context of different industries, likely resulting in a "false positive" comparison. Automated assessments on this basis also create an incentive for training providers to harmonise language with each other to allow credit transfer without changing course content or actual competency outcomes.

As outlined above, the government has established Jobs and Skills Councils to regularly review qualifications to ensure they are fit-for-purpose to support changing technologies. It is at that level that any reform of qualification frameworks and standards for assessment of RPL or credit should be developed.

SMEs

The ETU notes recommendations that SMEs be provided with incentives to employ apprentices. However, this recommendation fails to consider which types of employers offer better value for money to government. According to DEWR's *Strategic Review of the Australian Incentive System*:

- Employer incentives have limited impact, typically increasing existing engagement (the 'intrinsic' margin) as opposed to encouraging new employers to engage in apprenticeships (the 'extrinsic' margin).[12]
- Apprentices hired by large employers have on average higher completion rates than those hired by SMEs.[13]
- Larger firms are more likely to have dedicated human resources functions and are better placed and more likely to invest in apprentice support infrastructure, resulting in a better experience for apprentices and better employment outcomes in the long term.[14]
- Apprentices employed through GTOs higher completion rates than those directly employed by SMEs, typically by 5 to 8 percentage points. GTOs make up the best performers, [15] with completion rates ranging up to 98% between 2015-16 and 2018-19 for individual GTOs. [16]

The extent of GTO advantage in completion rates is not uniform, and industry-led GTOs make up the best performers. Identifying high-performing GTOs and directing funding to replicating those models would achieve a better return on public and private investment in apprenticeships than can be achieved by financial incentives to SMEs.

[12] DEWR (Department of Employment and Workplace Relations), 2024, *Skills for tomorrow: Shaping the future of Australian apprenticeships,* Strategic *Review of the Australian Incentive System 2024 Final Report*, Australian Apprenticeships website, DEWR, accessed 10 September 2025, p.96.
[13] *Ibid.,* p. 95.
[14] *Ibid.*
[15] *Ibid.,* pp.96; 105.
[16] *Ibid.,* p. 75.

Historically, the construction industry has had a low level of investment in training. That lack of investment is due partly to the large number of small firms which make up the industry, and partly because project-based engagement sees employees constantly moving from site to site. GTOs resolve this by collectivising training and deploying apprentices across firms and worksites.

Given the inherent limitations on SMEs' capacity to support apprenticeship completions through mentoring support, long-term employment outcomes, and consistent work relevant to training outcomes, they are not the proper target for apprenticeship incentives. Rather, public and private investment in apprenticeships should be focused improving mentoring supports and expanding those industry GTO models which have maintained consistently maintained higher completion rates.