



Economic Diversification and Investment Strategy

Tasmania

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Part I – Introduction

Master Electricians Australia (MEA) is a peak industry association representing electrical contractors across Australia, majority of which are small and medium sized businesses and has been supporting Australia's electrical businesses since 1937. We are 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 commends the Tasmanian Government's ambition to strengthen the State's economy by encouraging private investment, improving productivity, growing workforce participation and ensuring Tasmania's regions are well placed to contribute to and benefit from economic growth. We particularly support the Strategy's recognition that private investment and business activity will be central to Tasmania's long-term prosperity, and that government has an important role in creating the conditions that allow businesses to invest, grow, innovate and employ.

MEA has chosen to consider the Strategy through the lens of productivity for the construction industry, recognising the opportunity for productivity improvements to support its broader economic objectives. This requires creating the conditions for businesses to invest, innovate, develop their workforce, and operate efficiently.

Tasmania's, housing, energy and infrastructure ambitions cannot be delivered unless the construction industry (including electrical) can access a greater pipeline of skilled workers, obtain timely network connections, participate competitively in procurement, receive secure and timely payment, and operate within proportionate and nationally consistent regulation.

MEA therefore sees an important role for Government to invest, facilitate, fund, partner and advocate on issues raised. This includes:

- Investing in the infrastructure and systems necessary to support economic growth and improve productivity;
- Funding and supporting skills development and workforce participation, particularly where the cost of training and employing workers creates a barrier for small businesses;
- Facilitating private investment by reducing unnecessary regulatory and administrative barriers and improving the efficiency and certainty of government processes;
- Partnering with industry to develop practical solutions to workforce, infrastructure and regional challenges; and
- Advocating for reforms outside the Tasmanian Government's direct jurisdiction where national or intergovernmental barriers are affecting Tasmania's businesses and productivity.

The recommendations that follow identify practical opportunities for Government to use its role as investor, funder, facilitator, partner and advocate to address barriers to business growth and productivity ultimately resulting in long term economic diversity and prosperity.

Part II – Executive Summary

MEA supports the Strategy's overall direction, particularly its focus on private investment, productivity, workforce participation and regional opportunity.

Our submission identifies practical reforms within the six strategic priorities that would improve the operating environment for Tasmania's small and medium construction and electrical businesses (SMEs).

Unlocking Private Investment

National Occupational Licensing / Labour Mobility

Jurisdictional border licensing requirements are hampering workforce mobility in the electrical industry, preventing labour from being deployed where it is needed most. Existing interstate licensing schemes (such as Mutual Recognition, Automatic Mutual Recognition, and East Coast Electricians Scheme) intended to improve mobility, have instead created confusion, duplication, and costly delays.

A single national licensing eligibility framework would address the complexities that have hindered a harmonised licensing system for the electrical industry. One set of high-quality requirements, agreed by all states and territories, would ensure consistency in standards, safety, and workforce mobility, while allowing each jurisdiction to retain control over compliance, enforcement, and administration. This approach preserves sovereignty while delivering practical consistency where it matters.

Procurement

The existing 20% apprentice and trainee requirement does not distinguish between apprenticeship years, allowing contractors to rely on later-year apprentices rather than creating additional training capacity for new commencements. MEA recommends instead a minimum first-year apprentice target on government projects to drive genuine apprenticeship growth and strengthen Tasmania's future skilled workforce.

Prequalification System

The Government should streamline and standardise prequalification requirements, including a Government-supported format for head contractors to prequalify subcontractors. This would reduce duplication, administrative costs and barriers for SMEs, while maintaining appropriate capability assurance.

Leading this reform in government procurement could establish a model for the private construction market, improving productivity, consistency and access to government projects, particularly for regional businesses.

Digital Technology: Improving Tendering and Contracting

A “digital by default” approach to government tendering and contracting would reduce duplication, improve transparency and enable better information sharing and data-driven decision-making.

Accelerating Growth

Accessing Capital

Access to affordable, longer-term finance remains a significant barrier to SME growth, with reliance on personal assets and guarantees often limiting businesses’ ability to invest in equipment, technology, training and expansion.

Improved access to finance should place greater weight on business performance, cash flow and repayment capacity, supported by longer loan terms, competitive interest rates and targeted grants or rebates for productivity-enhancing investment. This would help SMEs grow, employ and increase productive capacity.

Payroll Tax Threshold

Tasmania’s \$1.25 million payroll tax-free threshold has lost real value as inflation and wages have increased, bringing more SMEs into the tax system and reducing their capacity to invest in staff, equipment and growth.

A significant increase to the threshold would provide meaningful relief to growing businesses, particularly in construction where wage costs are substantial. Bringing Tasmania's threshold into line with, or above, other jurisdictions would also improve the State's competitiveness for investment and employment.

Security of Payment

More than 60% of respondents to MEA's 2025 industry survey reported having experienced non-payment from a head-contractor due to contractor insolvency. Retention money also remains a persistent issue, particularly where subcontractors are reluctant to pursue recovery for fear of jeopardising future work.

Poor payment security undermines private investment because SMEs cannot confidently reinvest capital, employ workers or undertake additional projects when they carry disproportionate insolvency and payment risk.

Stronger protections are needed, including greater harmonisation of Security of Payment laws, improved protections for retention monies and linking builder contractor licences to timely payment of their subcontractors.

Unfair Contract Terms

Subcontractors continue to face unreasonable risk allocation and contractual terms that shift liabilities beyond their control, increasing costs and undermining project efficiency. Risk should sit with the party best placed to manage and bear it, with greater regulatory oversight to prevent prohibited or unfair terms being used.

Unbalanced contractual risk reduces productivity by forcing SMEs to price and manage risks they are not best placed to control, while discouraging investment and reducing competition for projects.

Lifting Productivity

Artificial Intelligence

AI and automation offer SMEs significant opportunities to reduce administrative burdens, improve efficiency and increase output. However cost, limited expertise and uncertainty around regulation and cybersecurity can hinder adoption.

Practical government guidance, education and targeted financial support for productivity-enhancing technology would help SMEs overcome these barriers and make greater use of emerging technologies.

Regulatory Burden

Frequent regulatory changes and complex compliance requirements can disproportionately burden SMEs, diverting limited time and resources away from productive activities and increasing operating costs. This is particularly challenging in construction, where businesses must navigate extensive workplace, safety, electrical, taxation and insurance obligations.

Practical government support (including investment in safety equipment, compliance software, training and other necessary resources) would help SMEs meet their obligations more efficiently while reducing administrative burden and supporting productivity.

In addition to the general concerns outlined above, our submission has provided the following practical regulatory burden examples –

- 38m² solar panel installation limitation
- Local government consents

Digital Technology and Cybersecurity

Please refer to our [recent submission](#) to the Federal Productivity Commission on Digital Technology.

Activating Regions

Rural and Remote Apprentices

Rural and remote areas often face greater challenges in accessing affordable and skilled labour due to limited local workforce availability. Government should implement measures to increase the skilled labour pool in these areas, including through greater access to digital and mobile training opportunities.

Growing Capability

Lifting Awareness of Occupational Opportunities

ATAR Secondary School Subject

The current senior secondary curriculum is heavily ATAR-focused. Many students are not willing or able to access certificate II courses or other positive exposure to a trades career.

MEA proposes a senior schooling subject be introduced (which could be a redesigned existing subject such as Engineering) as an ATAR-scaled subject that integrates practical content on electrotechnology, sustainable energy, and relevant engineering applications. The subject could be named something like 'sustainability, engineering & technology'. This would broaden trade career awareness, improve engagement, particularly for female and undecided students, support progression into VET pathways, and provide employers with better-prepared apprentice candidates, strengthening the construction and energy workforce.

Skilled Migration

Australia is facing a significant shortage of qualified electricians, with projections indicating a shortfall of tens of thousands by 2030 and 2050. Skilled migration is essential to meeting forecast demand, as local training alone cannot fill the gap quickly enough.

While largely a federal issue, MEA recommends increasing annual skilled migration visas for qualified electricians in all jurisdictions, streamlining national training, reducing supervision requirements for overseas workers (from countries deemed

appropriate to support this), and supporting regional workforce development through secure employment and temporary housing solutions for skilled migrants.

Digital Training

Greater use of digital delivery for suitable components of apprenticeship training could help address trainer and facility shortages, particularly in regional and remote areas. It would also reduce travel, minimise disruption to on-site work and allow apprentices and experienced workers to spend more time productively on the job.

Government-supported pilots could provide TAFEs with the technology and infrastructure needed to trial digital training, while maintaining face-to-face delivery where practical training or other components require it.

Employer Support

Small businesses train half of Australia's electrical apprentices yet receive only a fraction of the support needed to do so from the Federal Government. Meanwhile, the Tasmanian government does not offer any targeted financial support to employers of apprentices to offset the cost and risk of training this cohort.

MEA seeks targeted financial support from the Tasmanian Government to provide financial support to employers for training apprentices. There is a risk that without financial support, employers will become unwilling or unable to continue providing this valuable service to industry meaning that the state will run even lower on an already critically short workforce and be unable to complete housing and government project demands.

Diversity

Mature Aged Apprentices

Mature-age apprentices represent an underutilised opportunity to address skills shortages, bringing transferable skills, work experience and greater workplace readiness. However, lower apprentice wages and higher employment costs can discourage both prospective mature-aged apprentices and small businesses from

pursuing these arrangements.

Targeted wage subsidies for small businesses employing mature-age apprentices would help overcome these barriers, increase apprenticeship commencements and expand the skilled workforce while supporting faster returns on training investment.

Women

Women remain significantly underrepresented in the energy and electrical workforce, representing an important untapped source of skilled labour. Addressing barriers such as discrimination, harassment, industry stereotypes and inadequate amenities is critical to increasing participation and expanding the available workforce.

Career pathway initiatives, appropriate site amenities, mentor support and targeted employer and apprentice incentives would help drive genuine growth in female participation.

Strengthening Infrastructure

Energy Supply Connection Pace / ASP Scheme

Members have reported significant delays in electricity supply connections. This can create significant project costs and disruptions for businesses and consumers. Establishing an Accredited Service Provider (ASP) scheme could increase delivery capacity by allowing appropriately qualified industry participants to undertake contestable connection work, reducing pressure on TasNetworks.

Tasmania should also consider clear connection service standards and measurable performance targets, including guaranteed service levels or connection KPIs. These would improve transparency, set clear expectations and strengthen accountability for connection timeframes.

Modern Methods of Construction

With the rise in Modern Methods of Construction (MMC) to support housing supply, it is important that electrical safety and compliance is not compromised in the pursuit

of faster construction of these products.

All electrical work should be completed by qualified electricians, including off-site work. We recommend internationally manufactured MMC products not be wired before entry into Australia due to the stringent Australian requirements. We suggest conduit only be installed, with parts provided for installation in Australia by licensed electricians. All parts will need to be verified as compliant electrical products. Failure to do this results in a need to inspect the electrical installation to the satisfaction of a licensed electrician installing the MMC product, which can be a costly exercise. Digital traceability across the manufacturing and installation process should also be adopted to strengthen accountability, identify errors and support efficient recalls.

Part III – Building a More Productive Tasmania

Unlocking Private Investment

National Occupational Licensing / Labour Mobility

Immobile workforces across state borders due to regulatory settings are intensifying demand pressures on electricians. By facilitating easier interstate movement of electrical workers, Tasmania would allow the existing workforce to respond to areas of highest demand. In turn this would support greater turnaround of housing and government construction projects and renewable energy infrastructure.

Existing Mobility Schemes

Due to the multiple existing “mobility” schemes (Mutual Recognition (MR), Automatic Mutual Recognition (AMR), and the East Coast Electricians Scheme (ECES)) AMR in its current form has failed to resolve key issues such as mobility barriers, inconsistent skills and assessment requirements, and differing licensing categories. In practice, it has not fully delivered the promised benefits of easier interstate mobility - instead it has added complexity and compounded existing barriers.

For electrical workers seeking to work in Tasmania, this can result in duplicated licence applications, delays in project mobilisation and uncertainty around licensing requirements. These barriers can deter workers from taking up interstate opportunities, contributing to the underutilisation of an available workforce and ultimately reducing capacity to deliver housing, government construction projects and other critical infrastructure.

Occupational Licensing for the Electrical Industry

While this matter is being considered at the federal level, it is vital the Tasmanian Government uses its voice to advocate for nationally harmonised licensing arrangements. Greater consistency in licensing would support a more flexible and mobile workforce, enabling Tasmania to access a larger and more skilled pool of workers when and where they are needed.

The Federal Government has recently commenced an inquiry into *National Licensing for the Electrical Industry*. This has been an ongoing consideration over recent decades, creating industry fatigue and scepticism about whether meaningful implementation is achievable.

To overcome the historical challenges associated with differing jurisdictional legislation, regulatory requirements, and approaches to compliance and enforcement, MEA has proposed a more practical approach: harmonising a national licensing eligibility framework while retaining jurisdictional control over administration, compliance and enforcement.

Under this model, all states and territories would agree on one set of eligibility requirements for electrical licensing, with each jurisdiction retaining control over administration, compliance, and enforcement. This model strikes the right balance between national consistency and local oversight, without compromising jurisdictional authority. A single set of high-standard licensing requirements nationwide would streamline processes and improve safety and quality outcomes, particularly in jurisdictions where current standards are lower, allowing for greater and safer mobility across the country where skilled workers are needed most at the time increasing productivity in the industry.

Elements of this framework would include:

- Jurisdictional sovereignty
- Jurisdictional managed license databases integrated nationally via API
- Jurisdictional based licence fees
- Nationally set licence duration
- Review of eligibility requirements, CPD requirements and information sharing
- Improved and consistent auditing and enforcement of Capstone assessments and RTOs

For more detailed information on the issue and our proposal, please refer to our submission to the Federal Government [here](#).

Training Procurement Requirements

Under the [Tasmanian Government Building and Construction Training Policy](#) (the Policy), head contractors are required to ensure “a minimum of 20 per cent of the total labour hours on eligible projects is to be undertaken by apprentices and/or trainees under a training contract in a vocation directly related to the building and construction industry. This will be expressed as the number of training hours required...”¹.

Notably, there is no requirement for what stage of an apprenticeship these individuals must be. In practice, large contractors recruit 3rd- and 4th-year apprentices from small businesses to meet these demands, undermining apprenticeship growth.

MEA seeks an amendment to the Policy, to establish a minimum target for 1st year apprentices to drive genuine industry growth. When supported by our proposed policy to incentivise greater uptake of apprentices by employers (see below under *Employer Support*, at page 29), this measure is expected to increase the pool of skilled labour, helping meet rising demand in the construction and electrical sectors.

Prequalification System

MEA submits measures should be adopted to streamline prequalification requirements, including those for subcontractors. A streamlined prequalification format for use by head contractors for their subcontractors should also be supported by the Government

For subcontractor businesses, differing prequalification processes adds unnecessary cost and complexity to tender participation, reducing competition and limiting access to government projects. Some subcontractors require additional personnel to complete the administrative tasks associated with providing the same information in different formats for different head contractors. A standardised format provided by

¹ Tasmanian Government “Tasmanian Government building and Construction Training Policy” [1 July 2022], page 5.

the Government for its projects, for use by head contractors when prequalifying subcontractors, would improve productivity.

MEA would like to see this measure extended to the private construction market over time, which is foreseeable if Government leads the way.

Not only will this enhance productivity on government projects, but it will also lift productivity in the private construction market, generating an overall increase Australia's construction sector performance. It will also directly support the Government's regional productivity by making it easier for local SMEs to compete on government tenders without facing disproportionate administrative barriers.

Overall, benefits of a standardised prequalification format include:

- Reduced costs.
- Certainty and consistency for subcontractors across public and private markets.
- Elimination of duplication and reduced administrative costs.
- Maintenance of capability assurance through a shared, standardised platform with audit rights.

Digital Technology: Improving Tendering and Contracting

MEA encourages the government to adopt a "digital by default" approach recognising it as a critical enabler for transparency, accountability, and efficiency in contracting. Digitalisation will not only improve fairness but will also directly address productivity challenges by reducing duplication, improving information flow, and enabling data driven decision-making across project stakeholders.

Accelerating Growth

Accessing Capital

Access to capital remains a significant challenge for many SMEs. Members report that lenders often place substantial reliance on personal guarantees, family home security and other personal assets, rather than the underlying performance, cash flow and growth potential of the business itself.

This can act as a significant constraint on business productivity. Small businesses may have viable opportunities to invest in productivity-enhancing equipment, technology, additional employees, training or business expansion, but are unable to access the capital required without exposing personal and family assets to significant risk. This can have broader productivity impacts by preventing otherwise viable businesses from reaching their full productive capacity.

MEA acknowledges there are existing Tasmanian Government schemes designed to support business financing, but notes the following concerns:

- *Business Growth Loan* - While providing access to finance, variable interest rates and a requirement for full repayment within five years can create significant repayment pressures for small businesses and may limit the ability to undertake longer-term investment opportunities.
- *No Interest Micro Business Loan TAS* - The \$3,000 maximum provides limited assistance for meaningful business investment or expansion, and eligibility is restricted to Tasmanians on low incomes.

Government should explore measures to improve access to appropriate and longer-term finance for SMEs. This should include encouraging lending assessments to place greater weight on business performance, cash flow, demonstrated capacity to repay and the productivity benefits of proposed investment, rather than relying disproportionately on personal assets and guarantees.

Government should also consider offering longer loan terms at competitive interest rates, alongside targeted grants and rebates for productivity-enhancing investments and operating costs. Providing direct financial support can help businesses retain cash flow for investment and expansion, reducing their reliance on debt and enabling them to pursue growth opportunities.

Improving access to affordable, longer-term growth capital would enable more SMEs to invest, expand and increase their productive capacity, supporting stronger business growth, employment and overall economic productivity.

Payroll Tax Threshold

Members have raised concerns about the real value of payroll tax-free thresholds, particularly in light of rising inflation and wage growth.

Below is a table showing the tax-free thresholds and payroll tax rates across all Australian states and territories for the 2025–26 financial year (FY26):

Jurisdiction	Tax-Free Threshold	Tax Rate
Queensland	\$1.3 million	4.75% - 4.95%
New South Wales	\$1.2 million	5.45%
Victoria	\$1 million	4.85% (metro) 1.2125% (regional)
South Australia	\$1.5 million	4.95%
Tasmania	\$1.25 million	4% - 6.1%
Western Australia	\$1 million	5.5%
Northern Territory	\$2.5 million	5.5%
ACT	\$2 million	6.85%

CPI inflation spiked to 7.8% in 2022² and remained elevated, including 3.8% in the 12 months to December 2025³, while the Wage Price Index indicates wages rose 3.4% over the same period⁴. As payroll tax applies to nominal wages, these combined pressures have pushed more employers into the tax net, highlighting the need for a threshold increase that restores its real value rather than simply adjusting nominally.

It is not uncommon for SMEs to have annual wage expenses above \$1.25 million. Even modest wage increases or cumulative inflation can push these businesses further into the tax net, reducing their capacity to invest in staff, equipment, or growth. Raising the threshold in real terms would provide meaningful relief, helping small businesses remain competitive while aligning payroll tax with their actual capacity to pay.

We encourage the Tasmanian Government to give greater consideration towards a significant increase in the tax-free threshold, taking into account ongoing inflation, rising wage costs, skills shortages driving up labour expenses, and broader supply chain pressures. Aligning Tasmania's threshold with, or exceeding, other states would provide meaningful relief for businesses and strengthen Tasmania's position as a truly competitive jurisdiction for investment and employment in Australia.

Security of Payment

The construction industry has always faced issues of non-payment and insolvencies. In Australia, subcontractors complete over 80 per cent of construction work – one of the highest rates in the world to pass financial risk down the construction contracting chain.⁵ The flow-on-effects of failures are broad, impacting the completion of projects.

² Australian Bureau of Statistics "Consumer Price Index, Australia" *Australian Government* [25 January 2023] < [Consumer Price Index, Australia, December Quarter 2022 | Australian Bureau of Statistics](#)>

³ Australian Bureau of Statistics "Consumer Price Index, Australia" *Australian Government* < [Consumer Price Index, Australia, January 2026 | Australian Bureau of Statistics](#)>

⁴ Australian Bureau of Statistics "Wages rise 3.4% in the year to June 2025" *Australian Government* < [Wages rise 3.4% in the year to June 2025 | Australian Bureau of Statistics](#)>

⁵ Department of Transport and Planning "Government Response to the Parliamentary Inquiry into employers and contractors who refuse to pay their subcontractors for completed work" *Victorian Government* [October 2024], at 3 <[attachment-2---government-response---final-revisions.pdf](#)>

When a head contractor becomes insolvent, subcontractors often go unpaid for completed work, shifting financial risk to those least able to absorb it. Losses, which can include materials, wages, and foregone earnings, quickly escalate into tens of thousands of dollars, threatening cash flow, business viability, and livelihoods. Persistent non-payment also undermines the sector's ability to deliver essential housing, health, and commercial infrastructure, highlighting the need for stronger protections for small- medium businesses.

Outside insolvencies, we continue to hear of trade contractors being unpaid for long periods, and builders refusing to return retention money.

Several reviews have been conducted, including the 2017 national review of Security of Payment Laws by John Murray AM. Since then, laws have been updated across the country, including the introduction of retention trust accounts in some jurisdictions.

Despite reforms, our [2025 joint industry survey](#) shows slow and non-payment remain an issue for construction industry subcontractors (including electricians) with builders or head contractors often withholding retention money. Over 60% of respondents reported being unpaid in the past five years due to contractor insolvency, in both commercial and residential projects.

MEA considers retention money a key initial focus for governments across Australia. The industry survey results shows non-payment of retention money remains a significant issue in the construction industry.

There is a role for the Tasmanian Government to both strengthen protections within its own jurisdiction and advocate for broader national reform. Tasmania should continue to improve its Security of Payment framework, including stronger protections for retention money, while using its influence through national forums to support greater consistency and stronger protections for subcontractors across Australia.

MEA seeks the following measures be implemented to improve protection for small business contractors:

- *Harmonised SOP Framework* - For clarity around the country; adopt aspects that are working well from different jurisdictions and harmonise SOP frameworks. This should also include improved retention fund protections.
- *Retention Fund* - Retention trust accounts are a good method of 'quarantining' subcontractor retention money in the event of insolvency, but do not address issues around subcontractors needing to be the ones to commence an adjudication for return of retention when a head contractor declines to make the payment. Subcontractors are hesitant to bring such action for fear of not getting future work. Most jurisdictions also do not permit adjudication for non-return of performance bonds such as bank guarantees. These cost subcontractors money when not returned.

We believe a solution is to have a central authority to hold retention money, similar to government rental bond schemes, with simple online processes for lodging payments and reclaiming retention. This would reverse the onus when retention is due to be returned (i.e. the subcontractor requests it and the builder either agrees or disputes the return). It should apply to all cash retentions and non-cash bonds/guarantees held by contracting parties in the construction industry. The earnings on the fund could contribute to funding the administration costs.

- *Builder Contractor Licence Requirements* - Take action against licensed contractors who do not pay debts due to subcontractors by making it a condition on all builder contractors licenses allowing licence suspension for non-payment.

Unfair Contract Terms

We continue to see subcontractors be imposed with unreasonable risk allocations, where risk outside the subcontractor's control is nevertheless passed on them, forcing them to carry liabilities they cannot reasonably control or absorb. Risks should sit with the party best placed to manage and take cost responsibility for them.

MEA has continuously raised some of these longstanding contractual concerns that significantly disadvantage subcontractors and hinder project efficiency. At a state/territory level, we would like to see better auditing of contractual terms by regulators to ensure those already prohibited are not being used. At a federal level, we seek a broader role for the ACCC to proactively audit subcontracts in the construction sector and take its own action to pursue declarations of unfair terms, without requiring a complaint, which we believe Tasmania is in the prime position to advocate for to support productivity growth at the state level.

The Tasmanian Government can strengthen protections within its jurisdiction through greater regulatory oversight of contractual terms, especially on government contracts, while using its influence through national forums to advocate for stronger and more consistent protections for small business subcontractors.

Lifting Productivity

Artificial Intelligence

Artificial intelligence (AI) and automation present significant opportunities for small businesses to improve productivity by reducing administrative tasks, streamlining processes and enabling businesses to achieve more with limited resources. However, the cost of adopting new technologies, combined with uncertainty around regulatory requirements, appropriate use, and cybersecurity can prevent SMEs from taking advantage of these opportunities.

Small businesses often lack the time, expertise and resources to assess and implement emerging technologies. Government should support SMEs to adopt AI and automation through practical guidance, education and targeted financial incentives for productivity-enhancing technology.

Reducing barriers to technology adoption would allow small businesses to spend less time on administrative tasks and more time on core productive activities, while supporting increased output, efficiency and competitiveness across the economy.

Regulatory Burden

Frequent legislative and regulatory changes can have a significant impact on productivity for small businesses. SMEs often have limited internal resources to monitor regulatory developments, interpret new requirements and implement changes quickly, meaning that time that could otherwise be spent on productive business activities is instead diverted to administrative and compliance tasks. Duplicative and unnecessary administrative requirements further compound this impact and increase business overheads.

This is particularly significant in the construction sector, where small businesses operate with substantial costs and risks and must navigate a broad range of compliance obligations, including workplace laws, electrical and safety requirements, taxation and insurance. While these obligations are important, small businesses are often subject to the same regulatory requirements as much larger businesses with

dedicated compliance, legal and administrative teams. The disproportionate administrative burden can reduce productivity, increase operating costs and, in some cases, make continued operation in the sector increasingly unviable.

Government has an important role to play in ensuring that regulatory compliance does not unnecessarily constrain small business productivity. This includes providing targeted support to help SMEs understand and implement their legal obligations efficiently, particularly when new requirements are introduced.

MEA encourages the Tasmanian Government to provide practical support to SMEs to assist with the costs associated with compliance, including investment in safety equipment, compliance software, training and other necessary resources. Such support would not only assist businesses to meet their obligations but would also reduce the time and resources they need to divert away from productive activities.

Supporting SMEs to comply efficiently and effectively will reduce unnecessary administrative costs, improve the allocation of business resources and ultimately support greater productivity across the construction and electrical sectors.

Below are two Tasmanian specific examples of unnecessary regulatory burden impacting our members -

Solar Panel Installation

MEA has long raised concerns with both the Tasmanian Government and CBOS regarding the 38m² limitation on solar panel installations. Under the current approach, an installation of solar panels covering a roof area greater than 38m² triggers a requirement for a building surveyor's assessment by CBOS.

Although there is no longer a legislative requirement for a building surveyor's assessment for solar panel installations exceeding 38m², the requirement continues to be enforced by CBOS under its authority as Director of Building Control (refer to Appendix A).

No other Australian jurisdiction imposes a comparable limitation. As solar panels become increasingly common and affordable, larger systems are being more frequently sought by consumers and can readily cover an area greater than 38m². The ongoing enforcement of this outdated limitation presents unnecessary regulatory and financial burdens for electrical contractors and consumers alike.

Given the increasing emphasis on renewable energy adoption and the need to streamline installation processes, it is crucial that the electrical industry is not burdened by such unjustified regulatory requirements and red tape.

CBOS has recently consulted with MEA and other industry stakeholders on this matter, proposing to increase the current 38m² limitation to 60m². In our response, MEA has maintained that there should be no threshold or restriction that triggers the need for a building surveyor's involvement in solar panel installations. We encourage the Tasmanian Government to work with CBOS to remove this trigger altogether, rather than simply increasing the existing threshold.

CBOS is currently reviewing stakeholder feedback on the proposed changes. MEA's submission can be accessed [here](#).

Removing this unnecessary requirement would reduce regulatory and financial burdens on electrical contractors and consumers, while supporting the broader uptake of solar and renewable energy across Tasmania.

Local Government Consents

Regulatory fragmentation across Tasmania's 29 local government areas creates unnecessary red tape, administrative burden and productivity impacts for small businesses operating across multiple council boundaries.

This has become especially apparent in supply connection processes which MEA understands that processes developed by TasNetworks can require consultation with individual councils, even where the objective is to establish a more streamlined, state-

wide approach. For example, efforts to simplify underground connection processes under council land have required engagement with individual councils, with some initially taking different positions.

While local consultation is important, requiring businesses and infrastructure providers to navigate different requirements and approval processes across councils creates unnecessary complexity, delays and costs. This is particularly burdensome for small businesses that lack dedicated compliance and administrative resources.

MEA encourages Government to identify opportunities to standardise local government requirements and processes where there is no clear justification for variation. Greater consistency would reduce red tape, improve certainty and allow businesses to spend more time on productive work rather than navigating different requirements across council boundaries.

Activating Regions

Rural and Remote Apprentices

Apprentices living in rural and remote areas face significant barriers to accessing training facilities, resulting in high attendance costs that discourage many prospective apprentices. This not only limits workforce development in these regions but also reduces productivity, as remote communities have smaller pools of skilled labour and incur higher costs to complete infrastructure projects.

Greater uptake of digital and mobile training opportunities supported by government, would assist. Refer to page 28 for more detail on digital training.

ASP Scheme in Rural Areas

An ASP scheme to streamline the supply connection process would support faster connection times in rural and remote areas, where customers and electrical contractors can experience delays in accessing TasNetworks' services due to geographic location and limited local resources. Refer to page 34 for more details on the ASP scheme.

Growing Capability

There are approximately 136,100 electricians employed in Australia (as of 2026)⁶, with forecasts indicating that an additional 85,000 electricians required by 2050⁷ (based on 2023 projections). There latest available figures, from 2024, indicate that the number of electrical apprentices is growing only by around 7,400 annually⁸.

These statistics paint a stark picture of the workforce shortage being experienced across the industry. Without urgent action to address the underlying workforce challenges, governments across all jurisdictions will bear the significant economic and social costs of an inadequate supply of skilled electricians.

Below are several urgent priorities that MEA encourages the Tasmanian Government to adopt to maximise Tasmania's electrical workforce, increase industry output and productivity, and ultimately encourage greater investment by small businesses in training and workforce development.

Lifting Awareness of Occupational Opportunities

ATAR Secondary School Subject

Introducing a Secondary School Subject - The current senior secondary curriculum is heavily ATAR-focused. Many students are not willing or able to access certificate II courses or other positive exposure to a trades career.

MEA proposes a senior schooling subject be introduced (which could be a redesigned existing subject such as Engineering) as an ATAR-scaled subject that integrates practical content on electrotechnology, sustainable energy, and relevant engineering applications. The subject could be named something like 'sustainability, engineering & technology'. This would broaden trade career awareness, career opportunities, improve engagement (particularly for female and undecided students), support progression into VET pathways, and provide employers with better-prepared

⁶ Jobs and Skills Australia "Skills Priority List" Australian Government < [Electricians | Jobs and Skills Australia](#) >

⁷ Jobs and Skills Australia "The Clean Energy Generation Workforce needs for a net zero economy" Australian Government [3 October 2023], page 15 < [The Clean Energy Generation | Jobs and Skills Australia](#) >

⁸ Jobs and Skills Australia "ANZCO 3411 Electricians" Australian Government < [Electricians | Jobs and Skills Australia](#) >

apprentice candidates, strengthening the construction and energy workforce.

International Comparison - New Zealand has recently announced amendments to its secondary school curriculum, including the introduction of:

- Construction and Built Environment
- Energy and Infrastructure
- Engineering Technology

The Hon. Erica Stanford MP stated the following upon the announcement -

“These subjects are being developed with industry to give students an exciting range of options, so businesses know young people are building the skills their sectors need, and students can gain knowledge that sets them up for work, trades, training or university.”

New Zealand has demonstrated there is both the opportunity and need to update secondary school curricula to better support career pathways and raise awareness of VET and trade-based careers. This, in turn, can help expand the pool of talent available to the electrical industry, supporting greater workforce capacity and productivity to deliver critical construction and electrification projects.

Mathematics - We also acknowledge Powering Skills Organisation’s recently released *Foundation for Energy – Literacy and Numeracy for Energy Jobs* final report, which highlights the insufficient mathematical skills electrical apprentices are obtaining during secondary school and the potential link to withdrawal rates from apprenticeships especially during their second year in particular.

Our proposed ATAR subject provides an opportunity to ensure students develop the appropriate level of mathematical skills needed to set them up for success when they commence an electrical apprenticeship.

Skilled Migration

Skilled migration is essential to meeting immediate industry demand, as local training alone cannot address workforce shortages quickly enough given the typical necessary four-year apprenticeship period required to qualify as an electrician.

MEA is currently advocating to the Federal Government for an increase in the annual skilled migration allocation for qualified electricians through a nationally ring-fenced skilled visa quota. We encourage the Tasmanian Government to use its influence in promoting this solution to the Federal Government. In addition, we encourage the Tasmanian Government to identify and implement measures that maximise the number of competent and qualified electricians able to enter the State, helping to increase the immediate pool of available labour.

We also highlight the unnecessary delay created by the blanket 12-month supervision requirement imposed on overseas-qualified electricians, regardless of whether their home jurisdiction has a comparable licensing and standards framework, and how long they have been qualified and practising in their licensed country. This requirement delays access to much-needed skills and imposes additional and unnecessary costs on businesses required to supervise already qualified electricians.

MEA considers that, for appropriately identified jurisdictions with comparable electrical licensing and training systems (for example, the United Kingdom) qualified electricians should be permitted to work unsupervised in Tasmania (and other Australian jurisdictions) once they have completed the required gap training and their supervisor has assessed them as competent to work unsupervised.

Digital Training

Traditional face-to-face training for 100% of course content is a drain on resources in a sector that has limited qualified trainers (requiring qualified electricians to become trainers) and limited physical training facilities.

MEA urges the Tasmanian Government to encourage greater uptake of digital training methods into suitable course components. By enabling apprentices to complete training remotely through digital resources (particularly in regional and remote areas) there would be reduced travel time, minimised disruption to on-site work, and more efficient deployment of labour. This increases the productive output of both apprentices and experienced workers.

Mechanisms would ensure the apprentice completing the online course is fully engaged, such as cameras on during live online sessions.

It is important to identify that MEA does not suggest at this time that all training be undertaken remotely or via digital means. However, units of theory / components of some units are considered suitable to trial.

Employer Support

The Role of Small Businesses

Small businesses play a crucial role in training new apprentices in the energy sector. According to PSO's latest data on 'average apprentices in training by employer size,' businesses with fewer than 20 employees account for hiring 50% of apprentice training positions (as of 2024), while larger businesses with more than 200 employees take on just 24%.⁹

Despite their critical role in training apprentices, small businesses often face financial constraints that make taking on apprentices challenging. While wages are low, the cost to the business includes lost productivity of the supervisor, administration overheads and lost hours while at trade school. Targeted support is therefore essential to enable these businesses to continue developing the workforce and meet projected future demand.

⁹ Powering Skills Organisation "2024 Apprentices in Training" [Accessed February 2026] < [Data Dashboard - Powering Skills Organisation](#) >

The Role of Incentives

Incentives are pivotal in maintaining training capacity. A survey conducted by the Australian Industry Group found that half of employers would reduce apprentice employment if incentives were removed¹⁰ putting the continuity of workforce development at risk.

MEA has recently expressed disappointment with the Federal Government's announcement that the employer support payment will be reduced from \$5,000 to \$4,000 — an amount MEA has consistently argued was already insufficient. Meanwhile, apprentices continue to receive significantly greater financial support of \$10,000, despite employers bearing the substantial costs, risks and responsibilities associated with employing and training an apprentice.

While the Tasmanian Government provides some welcomed financial support to employers and apprentices, MEA encourages the Government to strengthen its focus on targeted financial support for employers of apprentices, helping to supplement the limited support currently provided by the Federal Government.

Other states, such as SA, WA and Qld have state funding programs assisting employers who take on apprentices.

MEA would like to see employers receiving at least \$20,000 in support per apprentice, at all stages of the apprenticeship including on completion to encourage retention. Through reviewing and redirecting existing programs, and working collaboratively with the Federal Government, MEA believes this level of support is achievable for the Tasmanian Government.

Importantly, greater employer support is not simply an investment in individual businesses. It is an investment in the sustainability of Tasmania's skilled workforce and the capacity of industry to meet growing demand. Supporting employers to take

¹⁰ "Apprenticeships and traineeships: The employer perspective" Ai Group [June 2025], at 30
<https://cet.aigroup.com.au/globalassets/cet/news/apprenticeship--traineeship---employer-perspective_web.pdf>

on and retain apprentices will be critical to addressing workforce shortages and, in turn, maintaining the productivity required to deliver housing, infrastructure and government projects across Tasmania.

Diversity

Mature Aged Apprentices

Mature-age apprentices present a viable and underutilised solution to Tasmania's electrical industry's skills shortage. These individuals often bring greater life experience, stronger work ethic, and transferable skills (particularly when transitioning from related trades such as carpentry) that enable them to contribute productively from the outset. Compared to school-leaver apprentices, they frequently require less time to develop workplace readiness, allowing them to 'hit the ground running' and accelerate their progression to full productivity.

However, many potential mature-age apprentices are deterred from entering the industry due to the low wages, particularly when they have existing financial responsibilities. Employers also find it difficult to hire mature-age apprentices over younger apprentices as they must pay higher wages. Small businesses, which train the bulk of electrical apprentices, often lack the resources to bridge this wage gap, despite the productivity advantages this cohort offers and their potential to transfer knowledge to younger apprentices.

Targeted mature-age wage subsidies for small businesses to incentivise both employers and prospective apprentices would assist in attracting more workers to the electrical sector. Such subsidies should be contingent on the creation of new apprenticeship positions to avoid market distortions and ensure funds are directed to increasing training capacity. By reducing the financial barriers for mature entrants and supporting small businesses in meeting their wage expectations, such a policy would unlock an experienced and motivated talent pool, increase apprenticeship commencements and completions, and deliver faster returns on training investment, directly boosting industry productivity.

Women

The energy sector remains heavily male-dominated, with approximately 83.5% of the workforce comprising men and a much lower rate of female participation among those 'on the tools'.¹¹

Women represent a significant pool of untapped talent that could help address the electrical industry's skills shortage and increase overall construction sector productivity by expanding the available labour supply.

The following barriers must be addressed to increase female participation in the industry:

- Discrimination
- Sexual harassment
- Industry stereotypes
- Access to amenities

MEA recommends the following policy initiatives to help address these challenges while avoiding market distortions and delivering measurable improvements in female participation rates:

- *Career Pathways* - Increased career pathway options into electrotechnology, such as the proposed senior schooling subject (see "ATAR Secondary School Subject" above at page 26), to overcome information gaps and broaden understanding of viable career paths for women.
- *Amenities* - Mandate access to clean and private suitable toilet amenities provided by the site principal contractor.
- *Education* - Offer targeted employer education, ensuring proportionate implementation that supports participation without penalising good-faith

¹¹ Powering Skills Organisation [accessed on 31 July 2025] <[Data Dashboard - Powering Skills Organisation](#)>

employers.

- *Incentive Grants* - Offer targeted financial incentives to employers to adapt business practices that actively support increased women in the construction workplace (measured through commencement and completion rates), alongside attraction and completion incentives for prospective female apprentices.

Strengthening Infrastructure

Energy Supply Connection Pace / ASP Scheme

Members have raised concerns about significant delays in electricity supply connections, which can create project delays, additional costs and flow-on impacts for businesses and consumers.

Accredited Service Person Scheme

MEA has recently been involved in discussions with TasNetworks regarding the potential introduction of an Accredited Service Person (ASP) scheme, which would allow appropriately licensed and accredited electricians to undertake certain connection-related work that is currently performed solely by TasNetworks. MEA encourages the Tasmanian Government to support the efficient development and implementation of such a scheme.

While the proposal remains in the initial consultation phase without a proposed framework, MEA highlights NSW's [Accredited Service Provider \(ASP\)](#) scheme which "allows accredited companies to design and construct electricity distribution assets and carry out work to connect or disconnect homes, businesses and developments to the electricity distribution network. For example, new connections, capacity upgrades or relocating assets".

A similar contestable delivery model in Tasmania could reduce bottlenecks for TasNetworks, increase delivery capacity and make better use of suitably qualified industry participants. MEA encourages the Tasmanian Government to support TasNetworks in developing an ASP scheme that appropriately expands the role of accredited industry participants while maintaining necessary safety and technical standards.

Guaranteed Service Levels

We also highlight Queensland's [Guaranteed Service Level \(GSL\)](#) framework, which establishes clear expectations for the delivery of key network services, including appointments, connections, reconnections, planned interruptions and reliability.

The framework provides transparent benchmarks for network performance and is complemented by payments where defined service levels are not achieved. It also supports clearer communication of service timeframes and more consistent measurement and reporting of network performance.

The Queensland model could be improved in its implementation and we would be happy to discuss this in further detail.

A comparable framework in Tasmania could:

- Strengthen transparency around connection service standards and timeframes.
- Provide customers and industry with clearer expectations of network performance.
- Support more consistent and measurable connection outcomes.
- Increase confidence in the connection process during a period of rapid electrification.

KPIs

The Queensland Government has also [recently announced new connection performance KPIs for Energy Queensland](#), including a target to complete simple supply-available connections within five days at least 95 per cent of the time.

MEA considers that a comparable KPI framework could be considered in Tasmania to establish clear and measurable expectations for connection timeframes, particularly if an ASP scheme or GSL framework is not adopted.

Modern Methods of Construction

With increasing policy attention being given to Modern Methods of Construction (MMC) at both the Commonwealth and State levels due to its productivity benefits for housing supply, MEA considers it appropriate to raise this issue in our submission.

MEA acknowledges the need to address housing supply and demand pressures and recognises MMC as a viable solution. However, there are several important

considerations from an electrical safety and compliance perspective that must be reflected in policy and regulation. These requirements should not be compromised in the pursuit of increased productivity and housing output, including:

- All electrical wiring and installation work must be completed by a qualified electrician, regardless of whether the work is undertaken on-site or off-site.
- Internationally manufactured MMC modules must have compliant electrical components and preferably should be wired by an Australian-qualified electrician upon arrival in Australia. If a module is pre-wired, it must be verified as compliant by a qualified electrician before installation. The simplest solution is for internationally-manufactured modules to have conduits for future wiring, and all electrical components provided but not installed so these can be verified for compliance.
- Digital traceability should be implemented across the MMC manufacturing and installation process to enable the steps undertaken to be tracked, supporting the rapid identification of errors, clear accountability and, where necessary, efficient product recalls.

We acknowledge that the Federal Government is currently consulting on manufacturer warranties for MMC and would be happy to provide our submission on this matter as a follow-up to this submission once completed.

Part IV – Conclusion

Tasmania's opportunity to increase its economic diversity and prosperity is closely linked to productivity in the scope of SME ability invest, employ, train and grow. For the construction sector, this means creating the conditions for businesses to operate efficiently, access the workers and infrastructure they need, invest in capability and participate in Tasmania's future growth.

The recommendations in this submission focus on practical measures to achieve these outcomes, including reducing unnecessary regulatory and administrative burdens, improving Security of Payment and contractual fairness, strengthening workforce participation and mobility, improving connection and procurement processes, supporting apprentices and regional workers, and ensuring infrastructure and government investment enables businesses to respond to demand.

Government has an important role to play through investment, funding, facilitation, partnership and advocacy. This includes implementing reforms within Tasmania's control, using government procurement and investment to support industry capability, and advocating for national reforms where barriers extend beyond state borders. Importantly, these measures should be developed in partnership with industry and focused on removing barriers rather than creating additional costs or complexity for business.

MEA welcomes the opportunity to contribute to Tasmania's *Economic Diversification and Investment Strategy* and looks forward to continuing to work with the Tasmanian Government to support a stronger, more productive and capable economy.

Appendix A – Solar Panel Installation Limitation

Regulatory History

MEA understands the limitation figure was originally set at 12m² before being increased to 38m² which derived from historical building control thresholds applicable to small structures, rather than from any identified electrical safety concern or evidence relating to solar panel installations. If this is the case, it raises questions as to whether the threshold has ever been appropriately justified in the context of solar installations. It further raises the question of what evidence or rationale justifies the newly proposed 60m² limitation.

The legislative development of this requirement is outlined below:

- The [Building Amendment \(Installation of Solar Panels\) Regulations 2013](#) were introduced under [s 230](#) of the now repealed [Building Act 2000](#). This amendment specified that solar panel installations under 38m², subject to meeting additional criteria, did not require a building permit. By implication, installations exceeding 38m² were classified as "building work," necessitating compliance with relevant building regulations.
- A 2013 document of changes (Appendix A) issued by the Department of Justice (DoJ) clarified that the 2013 regulation replaced a provision in the now repealed [Building Regulations 2004](#) (specifically [reg 4\(r\)](#)), which had previously set a size limit of 18m² solar panel installations to be exempt building work.
- Under the [Building Act 2016](#) (currently in force) solar installations are still within the scope of [s 4](#) "building work". Unlike the 2004 regulations, there is no specific provision for "exempt work." Instead, the regulations outline categories such as [Low-Risk Building Work \(ss 91-92\)](#) and [Notifiable Building Work \(Part 8\)](#). Under these provisions, the Director of Building Control has discretionary authority to classify work as either low-risk or notifiable. The role of Director of Building Control is currently fulfilled by CBOS.

- The *Building Act 2016* rescinds the *Building Amendment (Installation of Solar Panels) Regulations 2013* under [sch 4, s 333](#).
- The [CBOS Regulatory Guidelines](#), released in 2022, assists installers in determining whether a solar installation is considered low-risk or notifiable work. One key distinction in the guidelines is the 38m² limitation, a threshold that appears to have been unnecessarily carried forward from earlier regulatory frameworks.

The original Department of Justice letter can be accessed [here](#).

Consumer Benefits and Accountability

We have also been advised by members that building surveyors engaged for these matters generally do not undertake site inspections before or after installation, nor do they inspect the building or the completed works.

Further, the terms and conditions of engagement used by building surveyors commonly provide that responsibility and liability for the design and installation of the solar system remain with the installer. As a result, the requirement imposes additional cost and administrative burden on contractors and consumers without any corresponding transfer of liability or clearly identifiable consumer protection outcome.