



National Competition Policy analysis 2025

Call for submissions

The PC has released this paper to assist individuals and organisations to prepare submissions. It contains and outlines:

- the scope of the study
- the PC's procedures
- matters about which the PC is seeking comment and information
- how to make a submission.

May 2025

The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

The Productivity Commission

The Productivity Commission (PC) is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long-term interest of the Australian community.

The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

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The PC has released this call for submissions to assist individuals and organisations to prepare submissions to the study. It contains and outlines:

- the scope of the study
- the PC's procedures
- matters about which the PC is seeking comment and information
- how to make a submission (see attachment B).

Participants should not feel that they are restricted to comment only on matters raised in the call for submissions paper. The PC wishes to receive information and comment on issues which participants consider relevant to the study's request for advice.

Key study dates

Receipt of request for advice	27 March 2025
Due date for submissions	6 June 2025
Release of draft report	August 2025
Final report to Government	31 October 2025

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About this study

In March 2024, the Productivity Commission (PC) was asked to model the economic effects of a set of 26 competition reforms that were developed through the Council on Federal Financial Relations. In November 2024, the Commonwealth and state and territory Treasurers agreed to 'refreshed National Competition Policy principles that will shape an ongoing 10-year reform program' and agreed a first tranche of reforms (Chalmers and Saffioti 2024).

To inform the development of other reforms, the PC has been asked to provide advice in the form of analysis and modelling for the following:

- an occupational licensing scheme that provides for labour mobility nationally
- adopting international and overseas standards in regulatory frameworks and harmonising regulated standards across Australia
- any other reform options identified as a priority during the study.

For the identified reforms, the request for advice asks the PC to detail implementation options and a preferred pathway to implement the reforms and provide an assessment of the economic and revenue impacts.

Our approach and the scope of this study

This study is taking place at the same time the PC is conducting five inquiries into reforms to promote productivity growth. This study and the five productivity inquiries are intended to complement one another.

This study will look at developing analysis and policy advice to assist governments in considering the 'next steps' for reform. Governments themselves are best placed to develop more detailed implementation plans, but the PC aims to assist this process by filling out some details around the policy to support discussion in 2025.

How you can contribute

This call for submissions sets out some issues and information requests relevant to the request for advice (attachment A). The PC welcomes comments and evidence on these and any other issues related to this study. Attachment B explains how to make a submission or brief comment. Participants are asked to make submissions by 6 June 2025. Your contribution does not need to be a formal document and we welcome views through the comments section on our website. We also welcome submissions relevant to this inquiry that were developed for other review processes. The PC will build on the knowledge and submissions made to the 2024 study, and thank everyone who submitted to that process, and have that evidence available.

Identified reforms

Occupational licensing

Workers are required to have occupational licences to provide some services in Australia. Requirements and licences themselves can differ between states and territories, which can mean that a licence issued in some states and territories may not be recognised in others. This can reduce labour mobility and productivity.

Licensing requirements for the same occupation can differ significantly across jurisdictions, with some low-risk occupations only requiring licences in some states. Even for occupations where states and territories are in agreement that a licence is required, the differences in mandatory minimum requirements and scope of practice may be considerable (PC 2023; Senate Red Tape Committee 2018). Attempts have been made at overcoming these differences, either through harmonising requirements as part of a national licensing system, or through jurisdictions recognising licences granted by other jurisdictions as part of a mutual recognition arrangement. There has been ongoing reform in recent years to expand mutual recognition of licences across jurisdictions as part of the *Intergovernmental Agreement on the Automatic Mutual Recognition of Occupational Registration*.

In 2023, as part of the PC's 5-year Productivity inquiry: *Advancing Prosperity*, the PC said that prioritising reform of occupational licensing had the potential to substantially improve productivity in services, but a concrete plan with clearer responsibilities between Australian, state and territory governments was required (PC 2023c, p. 85).

The PC modelled the economic benefits from occupational licensing reform in the 2023 productivity review, and again in the 2024 National Competition Policy (NCP) review. The results were significant: real GDP could increase by \$10.33 billion (0.4%) (PC 2024, p. 133).

The letter commissioning this study asked the PC to analyse 'an occupational licensing scheme for electrical trades and other occupations that provides for labour mobility nationally, with impacts identified by occupation, and recognising that as the scheme relates to high-risk occupations, it will address the need for high standards, while cutting red tape, delays and multiple fees for trades people'.



Information request 1

- Which occupations would be best-suited to a national licensing scheme?
- What would be the first steps towards a national licensing scheme for selected occupations?
- Why did previous attempts at a national licensing scheme, such as the National Occupational Licensing Scheme, fail? How could a renewed attempt overcome the barriers to a national licensing scheme?
- What benefit would a national licensing scheme provide over an expansion of the automatic mutual recognition scheme?
- How could the PC best quantify the benefits of a national licensing scheme?

International standards

Mandatory and voluntary standards govern the everyday life of businesses and people. Standards set out specifications and procedures designed to ensure products, services and systems are safe, reliable and consistently perform as intended (DIIS 2016, p. 18). On their own, standards are voluntary. However, governments often incorporate standards in their legislation which make the standards mandatory (for example, when regulating product safety, product labelling, interoperability or corporate reporting). Standards might also become mandatory in other contexts, when incorporated in contracts or used by courts to determine if a legal duty has been met.

Where Australian standards differ from other countries, businesses face additional compliance costs as products designed for another country need to be modified (potentially produced on separate production lines) and retested for sale in Australia. Businesses may need to undertake duplicative conformity assessments and approval processes which can add to compliance costs and delay products entering the Australian market. Bespoke Australian standards similarly impact Australian exporters seeking to enter overseas markets and create barriers to cross-border trade in services and investment by firms in global subsidiaries.

As a member of the World Trade Organization, Australia has committed to ensuring that regulated standards and conformity assessment procedures are not more trade restrictive than necessary. This is supported by Australia's standards and conformance infrastructure, including regulation impact statement guidelines (PM&C 2023b, 2023a) and the Memoranda of Understanding between the Australian Government and Standards Australia (2018) and the National Association of Testing Authorities (2024).

The letter commissioning this study asks the PC to advise on 'adopting international and overseas standards in regulatory frameworks, and harmonising regulated standards across Australia, in priority sectors identified by governments'.

Harmonising Australian standards with trusted international standards can allow Australian firms to more easily participate in global markets. In Australian domestic markets, harmonised standards can increase the range of goods and services available, potentially leading to lower prices, improved quality and a more innovative economy, for example through removing barriers or disincentives to the adoption of technology (PC 2020, p. 232).

There can be situations where harmonisation with international standards is not appropriate. The international standard may not address specific Australian risks or objectives (for example to prevent new pests, diseases and invasive species entering Australia), or the costs of change may be too great, for example revising Australia's plug and voltage standard or changing the side of the road on which Australians drive (Byres 2017). Another potential concern is if Australian industry and consumers find it more difficult to engage in the development of international standards, or to access these standards once mandated by reference in Australian regulation (Standards Australia 2024).

The PC's 2024 modelling of proposed National Competition Policy reforms illustrated the potential benefits of streamlining the adoption of trusted international standards. The Australian Competition and Consumer Commission (ACCC) estimated that reducing barriers to the alignment of 50 consumer product safety standards with international standards could deliver direct savings of \$500 million annually for businesses in Australia (PC 2024, p. 41).



Information request 2

- Are there examples of Commonwealth, state, territory or local government regulation where there should be greater harmonisation with international or overseas standards and related conformity assessments or approvals? What sectors should be prioritised for reform?
- What is the impact of a lack of harmonisation (e.g. on compliance costs for export, import or multinational businesses, product range, prices, quality, competition, innovation and international trade and investment)?
- What are the barriers to greater harmonisation?
 - For sectors where regulators can mandate standards by incorporating international standards as in force from time to time or accept overseas conformity assessments and approvals (e.g. road vehicles, therapeutic goods, agricultural and veterinary products, maritime, industrial chemicals and, most recently, consumer products), how is this operating in practice?
- Are there any reforms that should be made to Australia's standards and conformance infrastructure to support greater harmonisation while still addressing specific Australian risks and objectives?
 - What measures could support access to international standards incorporated in Australian regulation?

Other competition reform options

The PC does not anticipate it will be able to go in-depth into other competition reform areas in this study, given the short timeframe and the fact that the concurrent productivity inquiries are covering potentially similar ground. That said, the PC would still welcome views on reforms worth considering through this or any other process. The Inter-Governmental Agreement (IGA) on NCP notes that it is a 10-year program, and that the PC will have an ongoing role in undertaking periodic studies or inquiries at the direction of the Treasurer to identify pro-competition reforms.

There are several areas in the IGA that could be amenable to further work by the PC. The IGA contains seven National Competition Principles, which include supporting actions that could come to the PC for review. For example, the PC could assist parties to:

- identify reforms to remove existing barriers to competition (clause 1b)
- monitor emerging competition concerns (clause 1d)
- consider mechanisms to facilitate consumer empowerment (clause 2a)
- review barriers to trade (clause 5b).



Information request 3

Which sectors or policy areas need reform to further promote competition?

References

Byres, W. 2017, 'International standards and national interests', <https://www.apra.gov.au/news-and-publications/international-standards-and-national-interests> (accessed 7 May 2025).

Chalmers, T.H.D.J. and Saffioti, T.H.R. 2024, *National agreement to revitalise competition - for consumers, businesses and our economy*, Media release, 29 November.

DIIS (Australian Department of Industry, Innovation and Science) 2016, *Australia's Standards and Conformance Infrastructure: An Essential Foundation*.

PC (Productivity Commission) 2020, *National Transport Regulatory Reform*, Report no. 94, Canberra.

— 2023, *5-year Productivity Inquiry: A more productive labour market*, Inquiry Report no. 100, Vol. 7, Canberra.

— 2024, *National Competition Policy: modelling proposed reforms*, Study report, Canberra.

PM&C (Australian Department of the Prime Minister and Cabinet) 2023a, *Australian Government Guide to Policy Impact Analysis*.

— 2023b, *Regulatory Impact Analysis Guide for Ministers' Meetings and National Standard Setting Bodies*.

Senate Red Tape Committee (The Senate Select Committee on Red Tape) 2018, *Effect of red tape on occupational licensing*, Interim Report.

Standards Australia 2024, *Submission to the Treasury consultation on the Treasury Laws Amendment Bill 2024: Product Safety Regulation exposure draft*, <https://treasury.gov.au/sites/default/files/2024-11/c2024-589944-standards-australia.pdf> (accessed 7 May 2025).

A. Request for advice

Dear Ms Wood

I am writing to request advice from the Productivity Commission (PC) to support continued pro-competitive reform under National Competition Policy (NCP).

As you know, in November 2024, the Commonwealth, state and territory treasurers agreed to a revitalised NCP, including a first tranche of priority reforms focused on easing cost-of-living pressures and reducing regulatory burden. This was supported by the Productivity Commission's work last year modelling the impacts of a revitalised NCP.

Treasurers are working through this year to develop other reforms that could be included under NCP. This includes the development of a national licence for electrical trades, as committed to in the 2025-26 Budget, and further work on adopting trusted international standards, already agreed as a priority reform in the NCP Federation Funding Agreement.

To support this work, I am requesting advice from the PC under s. 17 of the Productivity Commission Act in the form of analysis and modelling for the following set of reforms:

- an occupational licensing scheme for electrical trades and other occupational that provides for labour mobility nationally, with impacts identified by occupation, and recognising that as the scheme relates to high-risk occupations, it will address the need for high standards, while cutting red tape, delays and multiple fees for trades people
- adopting international and overseas standards in regulatory frameworks, and harmonising regulated standards across Australia, in priority sectors identified by governments, and
- any other reform options identified as a priority by governments during the term of this study.

For each of these reforms, the PC should:

- detail implementation options (where relevant), and a recommended pathway to implement the reform and reasons for why this pathway is recommended relative to other implementation options
- provide an assessment of the economic and revenue impacts, including expected:
 - impacts on GDP, GSP, dynamic efficiency and other measures of economic progress and national prosperity
 - costs and benefits for Australian households, including
 - » estimated impacts on aggregate measures of incomes, prices and wages
 - » distributional impacts, where possible, including by age, gender, income and education, and any other relevant demographic classification (including impacts on First Nations Australians), and
 - » other impacts on consumers that may be difficult to quantify, such as improved quality of service or wellbeing, or greater choice
 - impacts on relevant industries and sectors. To the extent possible, this should include estimated impacts on sectorial output, prices, productivity, employment and growth.
 - net additional revenue accruing to the Commonwealth, state, territory and local governments.

The PC should provide an interim report, including initial modelling outcomes, to the Government by 31 July 2025 and a final report by 31 October 2025. The reports should include an explanation of the methodology and assumptions and sensitivity analysis showing how results change under different assumptions. In preparing these reports, the PC should undertake consultation, including with the Australian, state and territory governments.

The Hon Jim Chalmers MP
Treasurer

[Received 27 March 2025]

B. How to make a submission

How to prepare a submission

Written submissions may range from a short comment outlining your views on a particular topic to a much more substantial document covering a range of issues. Where possible, you should provide evidence, such as relevant data and documentation, to support your views.

Publishing submissions

- Each submission, except for any attachment supplied in confidence, will be published on the PC's website shortly after receipt, and will remain there indefinitely as a public document.
- The PC reserves the right to not publish material on its website that is offensive, potentially defamatory, or clearly out of scope for the inquiry or study in question.

Copyright

- Copyright in submissions sent to the PC resides with the author(s), not with the PC.
- Do not send us material for which you are not the copyright owner – such as pictures, photos and newspaper articles – you should just reference or link to this material in your submission.

In confidence material

- This is a public review and all submissions should be provided as public documents that can be placed on the PC's website for others to read and comment on. However, information which is of a confidential nature or which is submitted in confidence can be treated as such by the PC, provided the cause for such treatment is shown.
- The PC may also request a non-confidential summary of the confidential material it is given, or the reasons why a summary cannot be provided.
- Material supplied in confidence should be clearly marked 'IN CONFIDENCE' and be in a separate attachment to non-confidential material.
- You are encouraged to contact the PC for further information and advice before submitting such material.

Privacy

- For privacy reasons, all **personal** details (e.g. home and email address, signatures and phone numbers) will be removed before they are published on the website.
- You may wish to remain anonymous or use a pseudonym. Please note that, if you choose to remain anonymous or use a pseudonym, the PC may place less weight on your submission.

Technical tips

- The PC prefers to receive submissions as a Microsoft Word (.docx) files. PDF files are acceptable if produced from a Word document or similar text based software. You may wish to search the Internet on how to make your documents more accessible or for the more technical, follow advice from Web Content Accessibility Guidelines (WCAG) 2.0: <https://www.w3.org/TR/WCAG20/>

- Do not send password protected files.
- Track changes, editing marks, hidden text and internal links should be removed from submissions.
- To minimise linking problems, type the full web address (for example, <http://www.referred-website.com/folder/file-name.html>).

How to lodge a submission

Submissions should be lodged using the online form on the PC's website. Submissions lodged by post should be accompanied by a submission cover sheet, available from the PC's website.

Online* www.pc.gov.au/inquiries/current/competition-analysis-2025

Post* National Competition Analysis 2025
Productivity Commission
Locked Bag 2, Collins St East
Melbourne VIC 8003

Phone Please contact the Administrative Officer on 03 9653 2298

* If you do not receive notification of receipt of your submission to the PC, please contact the Administrative Officer.

Due date for submissions

Please send submissions to the PC by **6 June 2025**.