



CFMEU

CONSTRUCTION

Productivity Commission

National Competition Policy analysis
2025 – CFMEU Submission

September 2025

Introduction

The Construction, Forestry and Maritime Employees Union (Construction and General Division) (the CFMEU) is the major union in the building and construction industry. The CFMEU has been a strong advocate for positive policy reforms to improve the construction industry. The CFMEU has a proud history in being at the forefront of the industrial system to improve workplace conditions, that have positive flow on effects to benefit the whole industry.

The CFMEU welcomes the opportunity to provide this submission to the Productivity Commission's interim report on National Competition Policy

Overview

The CFMEU notes that the Productivity Commission has been asked by the Treasurer to provide advice on two reform areas – occupational licensing and the adoption and harmonisation of international standards – associated with the national competition policy (NCP) reform program.

The CFMEU seeks to provide the following feedback on the interim report's suggestions on both occupational licensing and the adoption and harmonisation of Australian standards.

Occupational Licensing

Productivity Commission's Recommendation:

Occupational licensing reform could promote labour mobility and improve productivity, as workers move to places where their skills are most needed and valued. Much has been gained through previous reform efforts, which created national licensing for health professions and automatic mutual recognition for many other occupations.

Occupational licensing play an important role is safeguarding both workers and the general public, particularly in high-risk industries such as construction. Occupational licensing provides standards for entry and practice in a variety of occupations, helping to ensure competence and safety. In the CFMEU's view, licencing schemes enhance productivity by upskilling the industry and enhancing safety. Any barrier to the free movement of labour that occupational licensing may present is easily offset by the positive impacts of occupational licensing.

Occupation licensing effectively codifies minimum standards in an industry – standards that have been developed because of the advocacy or workers and their unions. The CFMEU rejects the assertion by the productivity commission that the existence of minimum standards is a 'barrier to entry' for any particular occupation or industry beyond

the extent to which a driving licence is a ‘barrier to entry’ for driving. Lowering the standards within an industry because it *may* increase the number of workers entering an occupation would negatively impact the construction industry and in the CFMEU’s view, is misguided.

The interim report outlines three avenues to reform licencing to allow free labour mobility:

1. Mutual recognition
2. AMR (Automatic Mutual Recognition)
3. National licencing schemes

The CFMEU is not opposed to the mutual recognition of registered occupations where they are directly equivalent, but notes that this is not the case with all of the registered occupations that our members are engaged in, particularly in the building and construction industry. We do not oppose a system of mutual recognition and harmonisation if it was done correctly, with comprehensive consultation with industry (employers and unions) as well as jurisdictional consensus on the requirements for registered occupations (particularly in regard to training, industry experience and competence). Harmonisation without proper consultation is not in the best interest of workers, the consumers of their services and the general public.

In the CFMEU’s view, the AMR reforms undertaken by the previous federal coalition government were not beneficial, as argued by the Productivity Commission in this report. Rather, these reforms were conducted in a top-down manner, without adequate consultation and resulted in confusion and greater levels of administrative burden for workers and employers.

An effective mutual recognition system would involve extensive consultation, with the goal of lifting all jurisdictions to the highest standard. Unfortunately, the CFMEU has strong reservations on future reforms based on the Productivity Commissions position, due to the Commission’s view of occupational licencing that is red tape to be cut. Best practice will not be achieved if the reforms are being driven from a position that sees occupational licensing as a barrier not a benefit.

Australian Standards

Standards are voluntary documents that set out specifications, procedures and guidelines that aim to ensure products, services, and systems are safe, consistent, and reliable. They cover a variety of subjects, including consumer products and services, the environment, construction, energy and water utilities, and more.¹ Our standards in Australia are developed through extensive consultation with industry and government, to

¹ <https://www.standards.org.au/standards-development/what-is-standard>

create standards that are evidence-based. There are both voluntary standards relating to industry best practice and regulated standards introduced by government that set minimum requirements. Standards Australia is rightly held to high expectations of transparency, consensus, and open public consultation. Additionally, when developing Australian Standards consideration is given to existing international standards particularly those of the ISO. There is no requirement however under the ISO arrangements for countries to copy exactly the ISO standard. Where there is an additional Australian standard, it is usually because the international standard is inadequate to accommodate the regulatory environment in Australia, especially in regard to our comprehensive OHS requirements. In our view, this is the right approach to developing and enforcing standards for the benefit of the Australian public.

The Productivity Commission has recommended reforms to ensure greater alignment between international standards and our own, reviewing standard with the view of harmonising or removing Australian standards that have no equivalent wherever possible. International standards are not subject to the consultation with industry and government, and their implementation could result in a two-tiered system that favours speed over scrutiny, and undermines trust in the regulatory process, and places quality and the safety of Australians at risk. The CFMEU believes that this approach risks ceding Australia's sovereignty to decide what is best for us and potentially reducing standards for the benefit of international corporations.

For example, the interim report notes Amazon's suggestion Australian standards should be in alignment with overseas jurisdictions in areas of new regulation such as artificial intelligence, as part of the Productivity Commission's argument in the necessity of reviewing standards. Australian regulation should not be influenced by major international corporations with an extensive history of disregarding worker's rights and environmental protections. This exemplifies the very real risk of harmonisation – our standards would effectively be set by countries that have considerably more corporate capture of their regulatory processes. Australians would rightfully be concerned if our mechanisms for regulating artificial intelligence were set by companies like Amazon or by Governments such as the United States under Donald Trump, who has slashed regulation at the behest of tech billionaires like Elon Musk and Peter Thiel.