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National Competition Policy Analysis 2025

Productivity Commission

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Dear Commissioners

**Submission: Response to *National Competition Policy Analysis 2025* Interim Report**

This submission responds to the *National Competition Policy Analysis 2025*interim report with reference to initial findings from the *Skills and Labour Report* undertaken by the Office of the Cross Border Commissioner (OCBC) South Australia. It will highlight a national example of harmonisation on high-risk workers and respond to information request No.2 through exploring cross border communities as an opportunity for piloting national reforms. It forms additional information to our original subsmisison.

**Cross Border Skills and Labour Mobility Report**

The Office of the Cross Border Commissioner (OCBC) SA has undertaken a detailed jurisdictional review of legislation covering mutual recognition (MR) and automatic mutual recognition (AMR) frameworks of occupational licensing, exempted professions across MR and AMR schemes, and VET and TAFE training subsidies for cross border communities.

The interim findings from the report, prepared by Skills Frontier, strongly aligns with the findings in the *National Competition Policy Analysis 2025* interim report and echoed through various reviews on labour mobility and productivity reports. Three of the high-level themes of the report which compounds on skills and labour mobility include:

* *You can cross the street, but not the system*

System friction, not geography, is the key barrier. Licensing, funding and training rules at a jurisdictional level often conflict, limiting both worker and student movements. Australia’s licensing systems are better at managing borders than crossing them and therefore we’re locking out skilled workers by postcode, not qualification. Addressing the licensing barriers between jurisdictions, which is deeply felt by border communities, will enable workforce access and growth.

* *Recognition on paper is not recognition in practice*

We’ve built a national AMR system – without building national confidence in it. Despite AMR being legislated, the implementation is unnecessarily complex with manual processes, patchy systems, and inconsistent compliance across jurisdictions. Additionally, individuals are approaching the fragmented system through seeking the path of least resistance and informal workarounds – the cheapest, quickest or easiest licensing or training pathway. Addressing the fragmentation supports a national uplift, or we risk a race to the bottom.

* S*ystem design still assumes people stay put*

Training and workforce systems are built for postcode stability, but the economy needs postcode fluidity. Training, funding and service design all assume people access systems within a single state, even in regions where people live, work and train across borders. Joint planning pilots or workforce data sharing between states can start to bridge these system silos.

* Vulnerability multiplies across the border

When licensing, training and service rules double up, our most vulnerable people drop out. People not in education, employment and training (NEET), jobseekers and early-career workers are disproportionately affected by fragmented systems and duplicated checks. For example, duplicate Working with Children Checks (WWCC) across borders, and lack of recognition for South Australia’s Responsible Service of Alcohol certificates. Governments should prioritise reciprocal recognition for low-risk occupational checks across jurisdictions, especially for early-career jobs.

**National precents for harmonisation already exist**

Through our analysis on Automatic Mutal Recognition (AMR) which applies to all jurisdictions except QLD, we have in part focused on the aspect which enables each state and territory to exempt high risk occupations. The High-Risk Work and Temporary Traffic Management licences are nationally consistent scheme which enables workers to operate across jurisdictions without additional licensing barriers.

While these licences are not currently a source of cross border friction, they demonstrate what effective national harmonisation can look like. Their success provides a benchmark for other licensing systems that remain fragmented, particularly in construction, care and real estate. Just as safety and productivity imperatives drove harmonisation in these areas, similar consistency should be prioritised in occupations where mobility barriers continue to hold back workforce access and regional development.

We do acknowledge broadly there are concerns regarding the traceability of licence holders when individuals move interstate. This issue is particularly critical within the care economy, where there is rightly a heightened and justified focus on the risks to the health and safety of our most vulnerable people. However, it is this concern within the care sector that should be prioritised under a nationally coordinated approach to licensing, to build robust systems for tracking to ensure public safety and confidence.

**Response to Information request 2: Input and data on the potential impact on productivity from an increase in interstate labour mobility arising from occupational licensing reform**

As part of the Skills and Labour Mobility Report undertaken by the OCBC, a key insight was the unique positioning of cross border regions to support national reforms in occupational licensing, particularly as pilot sites. These regions are characterised by deeply interconnected economies operating on a smaller scale, which makes them well-suited for trialling reforms. Their manageable cohort sizes, existing regional infrastructure, and capacity to monitor labour mobility and productivity offer a practical and cost-effective environment for implementation and evaluation.

This approach aligns directly with Principle 5 of the National Productivity Fund: Governments should promote a single national market. By linking labour mobility to regional productivity, pilot programs in cross border areas can act as catalysts for broader national reform, while empowering border communities to lead policy innovation.

According to the 2021 Census, 3,846 individuals commute into a South Australia cross border communities for work from inter-state cross border communities. These interstate cross border communities are those located directly across the border in neighbouring states. The top occupations among these commuters included:

* Technicians and Trades Workers – 745
* Professionals – 491
* Community and Personal Service Workers – 424

These figures highlight the importance of occupational licensing reform in facilitating workforce mobility and addressing skill shortages in regional areas. However, it is important to note that data limitations may exist, particularly in capturing informal or seasonal work patterns, and in the granularity of occupation-specific licensing requirements.

As noted in the interim report the 2014 Productivity Commission report on *Geographic Labour Mobility* estimated that crossing a state border reduces worker movement by 77%. Applying this estimate suggests a potential increase in mobility to 4,994 commuters, a potential of unlocking 1,148 workforce (caveat: this potential is dependent upon a number of factors such as workforce demographics, housing availability and infrastructure, licences reformed etc).

Though detailed costing on an occupational licencing reform pilots has not been within the scope of the OCBC report and nor has a specific assessment on system wide impacts, we ask that cross border pilots be explored as an approach to a stepped method of implementation.

Thank you for the opportunity to make a submission and for your consideration, if you require further information we welcome the opportunity to engage directly.

Yours sincerely

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Cross Border Commissioner- South Australia