



Submission to the Productivity Commission

Inquiry into Reducing Barriers to Business Dynamism in Australia

Submission from Regional Development Australia Goldfields Esperance

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An Australian Government Initiative



GOLDFIELDS ESPERANCE

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1. Introduction and Organisational Role

1.1 This submission is provided by Regional Development Australia Goldfields Esperance (RDA Goldfields Esperance), part of the national Regional Development Australia network funded by the Australian Government, in response to the Productivity Commission’s inquiry into reducing barriers to business dynamism in Australia.

1.2 This submission is informed by:

- A targeted survey of businesses and organisations operating within the Goldfields Esperance region, conducted in June 2026; and
- Independent regional economic and industry research undertaken by RDA Goldfields Esperance.

1.3 RDA Goldfields Esperance’s role is to identify regional priorities and strategic opportunities, support investment attraction and project development, facilitate collaboration between local, state and federal stakeholders, provide an evidence-based regional voice to government, and strengthen local economies, liveability and community resilience.

1.4 The Goldfields Esperance region covers approximately 955,276 square kilometres, is home to approximately 58,134 residents, supports 37,696 jobs and generates approximately \$39.963 billion in annual economic output. The region underpins nationally significant mining, critical minerals, agriculture and renewable energy industries, with mining alone contributing over \$10 billion annually to regional output and supporting more than 16,000 direct jobs.

1.5 Survey respondents represented a cross-section of the regional economy, spanning retail and hospitality, construction and trades, health and community services, professional and business services, and other sectors, across the City of Kalgoorlie-Boulder, the Shire of Esperance and the Shire of Coolgardie. The lived experiences shared below directly inform our response to the inquiry's terms of reference.

1.6 Respondent consent has been respected throughout this submission. Where a respondent agreed to be named, their business is identified. Where a respondent asked to be de-identified, quotes are attributed generically by sector and location. Responses provided for background only have informed our analysis but are not quoted.

2. Executive Summary

2.1 Business dynamism in the Goldfields Esperance region is constrained less by a lack of opportunity than by a combination of regulatory friction, remoteness costs and workforce scarcity. The region has entrepreneurs willing to start, grow and transfer businesses, but unnecessary barriers reduce the social and economic benefits that should flow from that activity.

2.2 Survey responses point to five recurring barriers that map directly to the Commission's priority areas:

- Administrative and regulatory burden at business start-up, particularly slow, inconsistent and poorly communicated local-government approval and licensing processes.
- Industry-specific licensing delays and complexity, including state licensing boards with long processing times and training that is only available in metropolitan centres.
- Difficulty accessing capital and finance, including bank finance, equity, grants and start-up capital.
- Workforce and skills shortages, intensified by housing scarcity, FIFO competition and restrictive skilled-migration settings.
- Remoteness cost penalties, freight, fuel, travel and accommodation, that raise the cost of starting, operating and expanding a business relative to metropolitan competitors.

2.3 Respondents also raised concerns about the integrity and consistency of regulation: businesses that comply at real cost report being disadvantaged relative to operators who do not, suggesting weaknesses in enforcement and a level playing field.

2.4 RDA Goldfields Esperance submits that targeted reform of local-government approval processes, state licensing systems, regional capital and grant access, and skilled-migration and workforce settings would materially improve business entry, expansion and transfer in regional Australia.

3. Barriers to Business Entry: Start-up Regulation and Approvals

3.1 Starting a business was the hardest stage for a large share of respondents. The recurring theme is not opposition to regulation itself, but the absence of clear pathways, consistent decisions and timely communication, directly relevant to the Commission's priority area on the administrative and regulatory costs of starting a business.

3.2 A first-time business owner in the Shire of Esperance described how the Public Building approval process, rather than the underlying safety requirements, became the barrier:

“The issue was not the compliance requirements themselves, but the lack of a clear, consistent pathway and timely communication ... Every delay resulted in ongoing expenses without any ability to generate income. There were genuine concerns that the business could run out of funds before opening.” - First-time business owner, Shire of Esperance

3.3 The same respondent noted that a clear startup checklist, a dedicated case officer, or a service standard for response times would have significantly reduced delays, costs and stress while still achieving the same public-safety outcomes. They also identified staff capability as central: improved training and support for the officers responsible for approvals would have made the biggest difference to their experience.

3.4 A retail and hospitality operator in the Shire of Esperance reported licensing delays at the local-council stage when registering a mobile takeaway business, poor communication across the process, and direct interference once the business was operating:

“Licensing delays at local council stage ... lack of communication with all stages of the process, hostile and non-supportive councillors, involvement from Councillor (once business established and operational) resulting in legal consult.” - Retail and hospitality business, Shire of Esperance

3.5 Their proposed fix was practical: a structured flowchart of the registration and licensing process, clearer guidance through local-shire requirements, and integrity and professionalism from local councillors, including preventing interference with lawful business activity.

3.6 A professional-services respondent in the City of Kalgoorlie-Boulder captured the cumulative effect of fragmented rules for new operators:

“Understanding what is required. For a small start up there are so many different rules.” - Small business, City of Kalgoorlie-Boulder

3.7 Notably, where a business operated primarily online and required little licensing, the start-up experience was straightforward. Vista Drift, a regional communications consultancy in the Shire of Esperance, reported that setting up and operating the business was relatively straightforward and that remoteness was not a significant barrier, a useful contrast showing that regulatory friction, not regional location alone, drives much of the start-up difficulty.

4. Industry-Specific Licensing and Compliance

4.1 Several respondents identified industry-specific licensing as a significant and avoidable barrier to entry and expansion, an issue squarely within the Commission’s terms of reference on industry-specific licensing.

4.2 A construction and trades business in the Shire of Coolgardie described excessive processing times and outdated, partly paper-based systems at the state electrical licensing board:

“The electrical licensing board have an excessively long wait period for processing license applications ... It takes up to 3 months and sometimes still requires things to be sent by post rather than completed online. Even the online option sometimes requires a document to be printed, filled out, scanned and then uploaded.” - Construction and trades business, Shire of Coolgardie

4.3 Goldfields Pest Control Services, a business of 30 years’ standing in the City of Kalgoorlie-Boulder, described licensing requirements that are inconsistent, expensive and difficult to understand, with all training only available in Perth, and noted an uneven playing field against larger competitors and unlicensed operators:

“The licencing requirements to become a pest/weed operator has been inconsistent and very difficult to understand. All training has to be in Perth. I compete with multi-national owned pest control companies who are themselves RTO’s and can push people through quickly with courses.” - Goldfields Pest Control Services

4.4 This respondent recommended simplifying the licensing pathway for pest and weed control operators and ensuring regulators collaborate with small local businesses rather than advantaging larger operators that do not face the same constraints. The same theme, compliant businesses being disadvantaged relative to those who do not comply, recurred across the construction and trades sector, where one operator described following the rules and bearing the associated costs only to see others operate without the required licence or insurances, and proposed regional inspectors for safety and compliance.

5. Access to Capital and Finance

5.1 Access to finance, a priority area in the Commission’s call for submissions on capital markets and bank finance, was a barrier for several respondents, particularly at start-up.

5.2 Hearn Quality Plumbing (City of Kalgoorlie-Boulder) identified start-up capital as a persistent barrier to entering an established market, and recommended that tax concessions for business start-ups would assist greatly.

5.3 Difficulty accessing equity, investors and grants was also raised in the health and community services sector. A government-sector respondent described how the inability to secure grants and funding prevented otherwise valuable programs from running, observing that they had amazing programs but simply could not run them without funding.

5.4 Several respondents linked finance to remoteness, noting that the higher cost of living and operating in the region reduces the discretionary funds available to invest in business development, training and growth. This compounding effect, where remoteness raises costs and simultaneously reduces access to the capital needed to absorb them, is a recurring barrier to expansion in the region.

6. Workforce, Skills and Housing

6.1 Workforce capacity emerged as the single most significant constraint on business expansion, consistent with RDA Goldfields Esperance’s broader regional research. Difficulty finding and keeping skilled workers was reported across construction, health and community services, and other sectors, and is tightly bound up with housing scarcity and competition from the mining sector.

6.2 Fitstop Kalgoorlie (City of Kalgoorlie-Boulder) described losing five full-time employees in 18 months to mining and government roles, and the risk created by restrictive skilled-migration settings:

“Since opening 18 months ago, we have lost five full-time employees to mining and government positions. As a small family business, we simply cannot compete with the wages offered by these sectors ... the requirements associated with the Designated Area Migration Agreement (DAMA) are so restrictive and unrealistic that we have been unable to sponsor her to remain with the business.” - Fitstop Kalgoorlie

6.3 This respondent recommended that regional workforce and migration settings better reflect reality, with more flexible and practical skilled-migration pathways, particularly through DAMA arrangements, so regional businesses can retain reliable employees when local workers are unavailable.

6.4 The housing dimension of workforce supply was made vivid by the Goldfields Aboriginal Language Centre (City of Kalgoorlie-Boulder), which links staff housing directly to lost jobs and lost economic activity:

“Currently I have 4 positions that can’t be filled due to no housing. That’s a loss of around \$800,000 in salaries to the community, and the following on benefits of having 4 more people, possibly families, in the town.” - Goldfields Aboriginal Language Centre

6.5 The same respondent noted that mining companies booking out motel rooms and, in Laverton, purchasing the caravan park have driven up rents and removed short- and long-term accommodation for other employers, illustrating how concurrent major-project demand crowds out the workforce capacity of smaller regional organisations.

6.6 A construction and trades respondent in the Shire of Coolgardie identified FIFO competition as a structural driver of regional workforce loss, observing that most workers who leave move to Perth, Peel or the South West and switch to FIFO roles, and proposing that FIFO arrangements be restricted where a town lies within an hour’s drive of the mine site so that local towns, economies and businesses can thrive.

6.7 A health and community services organisation (de-identified) raised the additional challenge of attracting staff and volunteers to the not-for-profit sector in a remote setting, recommending incentives for people who choose to work in the NFP arena as staff or volunteers, alongside freight levies to offset remote logistics costs.

6.8 Training access compounds these shortages. Respondents noted that relevant courses are frequently unavailable locally, with staff sent to Perth or Albany for extended periods, and TAFE in Kalgoorlie not offering certain industry courses, adding cost and time to building a sustainable regional workforce.

7. Remoteness Cost Penalties

7.1 The clearest and most universal theme across respondents was the cost penalty of remoteness. High input and operating costs due to freight and fuel were reported by businesses in nearly every sector, raising the cost of entry, operation and expansion relative to metropolitan competitors.

7.2 Fitstop Kalgoorlie quantified the establishment penalty directly:

“Freight alone cost approximately \$10,000 more than it would have in a city. Trade costs in Kalgoorlie are heavily influenced by mining industry rates, to the extent that it was cheaper to bring contractors 600 km from Perth than to engage local trades.” - Fitstop Kalgoorlie

7.3 A first-time business owner in the Shire of Esperance described how many fit-out items were unavailable locally and had to be freighted from metropolitan suppliers, noting that affordable freight, in their case via a local transport company, made a decisive difference to the viability of opening. Beyond freight, they pointed to fewer supplier options, fewer specialised trades and longer wait times, all of which increase both start-up costs and the time required to open.

7.4 Service-delivery businesses face the same penalty in a different form. The Dyslexia and Irlen Clinic WA (City of Kalgoorlie-Boulder) reported that travel and accommodation costs make it very challenging to deliver a specialist service to children struggling at school across remote areas, and recommended travel grants to support service delivery in remote communities.

7.5 A community-service provider (de-identified) summarised the compounding operating-cost burden facing such organisations, the cost of freight overall, the cost of fuel for their own vehicles, and the limited availability of people to staff and volunteer, and proposed freight levies for remote logistics to offset these costs.

7.6 A recurring policy point from respondents is that remoteness penalties are not a reason to withdraw from the region but a reason to support it: as one retail operator put it, without local businesses the community loses money, because residents would otherwise spend in the city. Several respondents asked simply for help directed at businesses in regional areas to keep that economic activity local.

8. Business Transfer, Growth and Government Procurement

8.1 The Commission's terms of reference include the transfer of successful businesses and barriers to expansion. Respondents identified difficulty selling or transferring a business, and difficulty being recognised as a credible supplier, as barriers to growth and orderly transition.

8.2 Kalcare Medical Supplies (City of Kalgoorlie-Boulder) identified government procurement bias against regional suppliers as the barrier most limiting its growth:

"Not being recognised as a capable supplier to government because we are located regionally ... Regional organisations are not taken seriously against metropolitan counterparts." - Kalcare Medical Supplies

8.3 Their recommendation was that where a regional tender or contract is offered, an actual local business be engaged or put in place as a backup for when a metropolitan supplier cannot service the region. This speaks directly to the efficient allocation of opportunity and capital across the economy and to keeping viable regional businesses growing.

8.4 Newer businesses also identified visibility and market access, rather than regulation, as the main constraint on expansion. Vista Drift (Shire of Esperance) reported that building awareness, establishing credibility and accessing promotional and networking opportunities were the principal barriers to growth, suggesting a role for improved regional business-development support alongside regulatory reform.

9. Broader Economic and Tax Settings

9.1 While the inquiry's terms of reference state that the tax framework is not its focus, several respondents raised tax and broader cost settings as material to their willingness to invest and grow. These are recorded here as context for the Commission's consideration of the economic impacts of barriers on investment and expansion.

9.2 A professional and business services respondent (de-identified, City of Kalgoorlie-Boulder) linked rising costs, fuel prices and tax settings to a contraction in business confidence and investment, describing Western Australia's payroll tax as the highest in the country and current capital gains tax proposals as discouraging reinvestment. They felt it was prohibitive to try to get ahead and grow a business under these conditions.

9.3 RDA Goldfields Esperance notes that, consistent with the terms of reference, inconsistent state settings, such as payroll tax thresholds, may be indirectly relevant where they operate as a barrier to firm expansion, and we encourage the Commission to consider these interactions where they bear on regional business dynamism.

10. Recommendations

RDA Goldfields Esperance recommends that the Commission:

- 10.1** Reduce start-up regulatory friction by promoting clear startup checklists, dedicated case officers and published service standards for response times at the local-government approval stage, and by investing in the training and capability of approval staff.
- 10.2** Improve the consistency, transparency and accountability of local-government approval and licensing decisions, so that businesses that comply are not disadvantaged relative to those that do not.
- 10.3** Modernise and streamline state industry-licensing systems, including electrical and pest/weed control licensing, by reducing processing times, removing paper-based steps and making training accessible in regional centres.
- 10.4** Strengthen enforcement and a level playing field so licensed, insured and compliant operators are not undercut by unlicensed competitors, including through regional inspection capacity.
- 10.5** Improve access to capital for regional start-ups and small businesses, including consideration of tax concessions for business start-ups and better access to grants and equity for community and regional enterprises.
- 10.6** Reform regional workforce and skilled-migration settings, including more flexible and practical DAMA arrangements, and link workforce planning to housing supply so staff can be recruited and retained.
- 10.7** Address remoteness cost penalties through measures such as freight support or levies for remote logistics, and travel grants for the delivery of essential services to remote communities.
- 10.8** Recognise regional businesses in government procurement, including engaging or backing-up local suppliers where regional tenders and contracts are offered.
- 10.9** Consider the indirect effects of broader cost and tax settings, such as payroll tax thresholds, where they operate as barriers to regional firm expansion, consistent with the terms of reference.

11. Conclusion

- 11.1** The Goldfields Esperance region is a dynamic, nationally significant economy with entrepreneurs ready to start, grow, transfer and sustain businesses. The barriers they face are not a lack of opportunity but a combination of regulatory friction, remoteness cost penalties, finance gaps and workforce and housing constraints.
- 11.2** The lived experiences of regional businesses set out in this submission show that targeted, practical reform, clearer approval pathways, modern licensing, fairer enforcement, better capital access, workable migration settings and recognition of regional suppliers, would materially reduce barriers to business dynamism and unlock the productivity, innovation and competitiveness benefits the inquiry seeks.
- 11.3** RDA Goldfields Esperance welcomes the opportunity to provide further evidence or appear before the Commission.

Acknowledgement of Traditional Owners and Country

Regional Development Australia Goldfields Esperance acknowledges First Nations peoples as the Traditional Owners and Custodians of Australia. We respect and celebrate the inherent strengths of Aboriginal and Torres Strait Islander peoples, and their commitment to the land, waters and their communities. We pay our respects to their Elders past and present.