HAIR & BEAUTY AUSTRALIA

Submission to the Productivity Commission (PC)

15 September 2025

Submitted by: Jan James Gawel CEO Hair and Beauty Australia

Summary

Hair and Beauty Australia (HABA) welcomes the opportunity to contribute to the Productivity Commission's inquiry into Building a Skilled and Adaptable Workforce. There is a consistent view, particularly within free-market thinking, that regulation, licensing, and bureaucracy reduce economic productivity, and that less regulation often leads to more growth and opportunity. This view is also coupled with the federalist aim of harmonising laws across states to reduce anomalies that restrict mobility or distort opportunity between jurisdictions.

Within this context, we recognise the Commission's objective of reducing regulatory anomalies and note that the requirement for a Certificate III in Hairdressing in New South Wales (NSW) and South Australia (SA) is distinct from the position in other states. While national consistency has merit, we observe that removing this qualification requirement is unlikely to deliver the intended productivity uplift.

While we all applaud efforts to simplify regulation, changes of this kind must take into account the burden they may place on training and workforce development. In practice, even in states without a formal requirement, many individuals still complete a Certificate III because commercial forces, including insurance, consumer expectations, and employment standards, dictate its necessity. We therefore urge that, consistent with the principle of Chesterton's Fence, any removal of existing requirements be undertaken with a full understanding of why they were established and of the potential consequences for businesses, consumers, and the broader industry.

Introduction

HABA is the national not-for-profit industry association representing salon owners, franchise operators, and independent businesses across the hair and beauty sector. Our members range from small family-owned salons to larger groups employing apprentices, qualified hairdressers, and beauty therapists in every state and territory.

HABA's primary role is to support business owners by providing industrial relations advice, legal resources, and advocacy within the Fair Work framework. We are the leading representative body for the sector under the Hair and Beauty Award, and we work closely with regulators and employer groups to ensure compliance with wage, safety, and employment standards. This position gives us a unique perspective: we represent the interests of employers who must balance compliance obligations, consumer expectations, and the commercial realities of running a small business.

Against this backdrop, we welcome the opportunity to respond to the Commission's interim report on Building a Skilled and Adaptable Workforce.

Background

NSW has a unique history in regulating the occupation. Hairdressers were previously licensed under the Hairdressers Act, before licensing was removed and the Certificate III in Hairdressing became the minimum requirement for entry. SA maintains a similar position. Other jurisdictions, such as Victoria and Queensland, have no formal licensing or qualification requirement.

The interim report (2025) identifies this inconsistency as a regulatory anomaly. We accept that the broader political direction will favour harmonisation through deregulation rather than re-regulation in other states. However, in the hair and beauty sector, productivity cannot be measured by entry numbers alone. The balance of quality, safety, consumer protection, and industry sustainability must be considered.

Observations from Industry

1. Commercial Viability of Salon Owners

Salon owners already face difficulties sourcing staff who are "salon ready," even where a Certificate III has been completed. Removing the base qualification will not expand the pool of commercially viable staff; instead, owners may have to provide more in-house training at their own cost. This would add to operational pressures, not relieve them.

2. Quality versus Quantity

Deregulation may increase the number of individuals entering the sector, but without education, this does not translate into higher productivity. Certificate III provides essential grounding in hygiene, safety, and chemical handling. Removing this requirement risks lowering service quality and increasing hazards, especially in chemical treatments.

3. Insurance and De Facto Regulation

In practice, regulation is enforced not by state licensing agencies but through insurance requirements and local council approvals. Insurers often require proof of qualifications to provide coverage. Without a recognised credential, salons may face higher premiums or difficulty obtaining insurance, creating commercial friction. There is also a risk of unqualified operators moving into the informal economy, leaving consumers unprotected.

4. Migrant and Barbering Pathways

We acknowledge that there is merit in more flexible recognition pathways for new migrants and for barbers with informal overseas experience. This could be managed through targeted recognition mechanisms rather than through wholesale deregulation.

International Comparisons

- **United States:** All states require licensure, combining formal training and examinations. This secures consistent standards and consumer protection but at significant cost and administrative burden.
- **United Kingdom:** No statutory licensing is required. This increases accessibility, but safety, professionalism, and standards are left to market forces and voluntary training.

These models demonstrate the spectrum of approaches: the US prioritises regulation and professionalism, the UK prioritises accessibility. Neither extreme should be replicated in Australia.

A Balanced Perspective

HABA submits that:

- The Certificate III in Hairdressing remains a critical base-level qualification for the sector.
- Removing it risks lowering standards and shifting costs onto salon owners without meaningfully improving productivity.

- Any reform should prioritise consumer protection, commercial viability, and industry sustainability.
- Flexibility can be provided through recognition of overseas and informal experience, particularly in barbering, rather than through blanket deregulation.

Conclusion

We encourage the Commission to recognise that harmonisation through deregulation will not of itself deliver productivity improvements in hairdressing. Friction will remain through insurance, consumer expectations, and the need for commercial readiness.

HABA recommends that any change be accompanied by alternative mechanisms that maintain standards, support salon owners, and protect consumers. Removing qualifications without such mechanisms risks eroding the professional integrity and commercial viability of one of Australia's largest personal service industries.

Hair and Beauty Australia (HABA)