



## **Submission to the Productivity Commission Consultation**

Building a Skilled and Adaptable Workforce

### **Consultation Period:**

31 July – 15 September 2025

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*As the peak body representing South Australia's hair and beauty sector, SAHBA brings forward this submission following wide consultation with employers, apprentices, and educators across our industry. It reflects the collective experiences, challenges, and aspirations of those working on the ground, and presents practical solutions to ensure training pathways remain accessible, industry-aligned, and responsive to the evolving labour market.*

The South Australian Hair and Beauty Association (SAHBA) welcomes the opportunity to provide feedback on the Productivity Commission's Interim Report ***Building a Skilled and Adaptable Workforce***.

We support the principle that regulatory frameworks should not create unnecessary barriers to entry into occupations. However, in the case of hairdressing and barbering, minimum competency requirements are essential to protect consumers, safeguard workers, and ensure fair competition. This submission provides evidence that the removal of occupational entry rules in our sector would create risks that outweigh any perceived benefits.

South Australia is unique in Australia for having a regulated hairdressing and barbering industry, governed by the Hairdressers Act 1988 and the 2016 Hairdressing Regulations. These provide that in South Australia you must hold a Certificate III in Hairdressing or Barbering (or equivalent) or be an apprentice to work as a hairdresser or barber. The Minister for Consumer and Business Services oversee the legislation and regulations, and there are substantial penalties for both employers and individuals who breach the Act. The Hairdressers Act 1988 and the Hairdressing Regulations 2016 were established in recognition of the risks inherent in the industry and the consequent need for consumer and worker protection. The underlying rationale remains valid today: hairdressing and barbering are essential personal services where public safety and fair employment practices must be safeguarded through regulation.

This strong regulatory foundation has created a resilient apprenticeship system, particularly within the hairdressing sector. According to NCVER, [DataBuilder](#) South Australian hairdressing apprentices achieved a 69% completion rate in 2023 and 51% in 2024. These outcomes highlight the impact of a regulated framework, which provides strong protections and clear pathways for learners.

Importantly, the two regulated states—New South Wales and South Australia—consistently record the highest completion rates for hairdressing apprentices. In contrast, the national average sits at only 30–35%, underscoring the strength, stability, and long-term benefits of regulated training models.

Hairdressing and barbering are not low-risk industries. Both involve the use of hazardous tools and chemicals that carry inherent dangers which are magnified when used and applied by untrained individuals.

**Chemical Services:** Products such as hair colour, bleach, and straightening systems contain powerful chemicals. Incorrect use can result in scalp burns, hair loss, allergic reactions, or respiratory issues. Product manufacturers explicitly warn that these products are for professional use only, and many are restricted to qualified professionals or those undertaking accredited training.

**Razor and Clipper Services:** Barbers perform shaving and close razor work around sensitive areas of the face and neck. Inadequate training exposes consumers to the risk of cuts, fungal infections, bacterial infections, and blood-borne disease transmission.

These risks justify a minimum competency requirement ensuring practitioners have the technical knowledge and hygiene awareness to perform services safely.

### **Apprenticeship Completion and Employment Outcomes**

Apprenticeship pathways provide structured training, employment stability, and recognised qualifications. In contrast, “informal training” or unregulated entry has led to:

- Lower skill standards, particularly in barbering, where South Australia is experiencing challenges with incomplete training and inconsistent service quality.
- Weaker employment outcomes, with informally trained workers often cycling through short-term jobs without establishing sustainable careers.
- Reduced industry investment in apprenticeships, as compliant employers are undercut by those offering lower-cost services from inadequately trained workers.

Research by NCVER (*The Longitudinal Surveys of Australian Youth*) shows that those with trade apprenticeships report higher rates of full-time, stable employment and earnings compared with those who did not complete accredited training. Informal pathways may provide short-term work but generally do not deliver recognised skills that transfer across employers or industries. Apprenticeships require structured, competency-based training that is nationally portable, which helps long-term employability. Informal training isn't recognised outside the individual salon or barber shop so limiting career mobility and

advancement.

### **Skills Transfer**

The hair and beauty industry provides a vital pathway into higher education through its accredited vocational training framework. These qualifications not only equip students with practical skills but also create recognised progression routes into further study, including diplomas and higher-level qualifications. Without formal qualifications, these pathways would collapse, which would particularly disadvantage young people who leave school before completing the South Australian Certificate of Education. For this cohort, VET qualifications offer a critical bridge into continued education, employability, and long-term career development.

This issue is particularly evident among young men, who are drawn to the lure of the cash economy in barbering. While the promise of quick earnings initially attracts them, many are ultimately left disillusioned, as they lack the formal qualifications required to progress their careers. Without recognised training these workers find themselves trapped in insecure employment with limited pathways into stable, long-term roles. This highlights the danger of deregulation: without structured apprenticeships and competency-based qualifications, the sector risks producing a generation of under-skilled workers who cannot advance or sustain meaningful careers. Vulnerable young people are prone to exploitation and wage underpayment due to a lack of a formal training framework.

### **The Perfect Information Assumption**

This is the view that consumers should ultimately determine the quality of service providers. This view assumes that consumers have perfect information when making choices. While this might be true in some markets, it does not hold for hairdressing and barbering. Consumers in these industries typically lack the technical knowledge to assess the skill, safety, and hygiene standards of a service before receiving it, leading to market failure. This situation parallels other fields such as health, education, and childcare, where governments intervene by setting standards because consumers on their own cannot reliably assess quality or risks. Indeed, a number of economists, including Joseph E. Stiglitz, who was awarded the 2001 Nobel Prize in Economic Sciences for his research on market failure due to the lack of information for consumers, support our contention as well. Governments have expressly recognised this by intervening in many markets, both for goods and services, for a very long time. For example, in

the case of medicines, the *Therapeutic Goods Administration*, food *Food Standards Australia New Zealand* and aviation *Civil Aviation Safety Authority*. In service industries such as hairdressing, this is highly relevant because clients often cannot fully assess the technical skills or quality standards of a hairdresser before receiving the service. A recognised qualification helps reduce this information gap by signalling that the hairdresser has met industry standards, giving clients greater confidence and trust. Such government validation protects consumers, upholds industry standards, and ensures fair competition, aligning the hair and beauty sector with other essential service industries where regulation is both necessary and expected.

Technology has advanced to the point where less digitally proficient professionals often struggle to compete with digitally fluent social media operators who can create highly engaging content to attract clients. If consumers are left to determine the market based solely on what they see online, their choices will be shaped by marketing rather than by demonstrated skill, safety, or professional standards. This creates a clear risk: regulation and qualifications are essential safeguards to ensure that consumer decisions are informed by competency, not just digital visibility.

### **Public Liability Insurance as a Proxy for Risk**

Premiums in hairdressing and barbering are generally higher than in lower-risk industries due to the hazardous nature of many services. Businesses must maintain full compliance with insurance and Work Cover requirements to avoid unnecessary risks and potential penalties.

SAHBA strongly urges the Productivity Commission to recognise that hairdressing and barbering require minimum competency standards to protect consumers and workers.

Removing or weakening these entry requirements would:

- Increase consumer risk of harm,
- Undermine apprenticeship completions and employment outcomes,
- Expose young workers to greater exploitation, and
- Create an uneven playing field between compliant and non-compliant operators.

The current regulatory framework is not excessive; it is necessary. SAHBA recommends retaining and strengthening occupational entry rules for hairdressers and barbers as a matter of consumer safety, workforce sustainability, and industry integrity.

The barbering industry continues to encounter persistent challenges (although legislation applies equally in South Australia), a substantial number of barbers currently practising do so without a recognised qualification. This not only places them outside the scope of legal compliance but also prevents them from entering into training contracts with apprentices. As a result, barbering apprenticeships remain less stable, with completion rates at 66% 2023. More recently, 2024 data reveal a sharp decline to 20%, reflecting the destabilising influence of unqualified barbers delivering informal, non-compliant in-salon training. This is a direct consequence of the current Recognition of Prior Learning (RPL) processes, which are widely regarded as cumbersome, costly, and overly burdensome, ultimately creating additional barriers to achieving formal recognition.

In South Australia, to address this barrier, the South Australian Skills Act, relating to apprenticeships, traineeships, vocational education and training, adult community education, **and especially education services for overseas students**, provides delegated powers to the Skills Commissioner. The South Australian Skills Commission, through the South Australian Skills Act 2008, offers the Occupational Recognition Service <https://skillscommission.sa.gov.au/careers-and-pathways/occupational-recognition-service> (ORS).

ORS is for people who haven't completed an apprenticeship or traineeship, but have developed sufficient skills and knowledge through employment, on-the-job or other training, in hairdressing or barbering. Applicants must have completed the equivalent duration of an apprenticeship (42 months of current industry experience). ORS is available to individuals living, relocating or with work contracts in South Australia. Successful applicants receive an Occupational Certificate from the South Australian Skills Commission, certifying their skills and knowledge in the specified occupation.

The Occupational Recognition Service ensures that all skilled people, whether hairdressers or barbers, are not prevented from working due to **regulatory barriers**.

We are already seeing strong interest from hairdressers and barbers in pursuing this recognition pathway. This will ensure that professionals are afforded the same opportunities for recognition as hairdressers and barbers who qualify, while maintaining the integrity and high standards of South Australia's regulated industry.

The South Australian Hair and Beauty Association strongly believes that minimum competency standards are essential to protecting consumers, safeguarding workers, and ensuring fair competition in the hairdressing and barbering sector. South Australia's regulatory framework has delivered strong apprenticeship outcomes and maintained high professional standards, demonstrating the effectiveness of a regulated model.

We urge the Productivity Commission to retain and strengthen occupational entry requirements, while supporting accessible recognition pathways such as the Occupational Recognition Service. This approach balances consumer safety with workforce flexibility, ensuring that skilled practitioners are not excluded while preserving the integrity and sustainability of the industry.

Your sincerely

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Co-Presidents

SAHBA

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### **Supporting Documents**

Australian Hairdressing Council - Fiona Beamish - AHC CEO

Clip Joint - Alfredo Capella

NCVER Apprentices Hairdressing and Barbering South Australia completions