# South Australian Skills Commission

## Submission - Productivity Commission Inquiry

Pillar 2: Building a skilled and adaptable workforce

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**Introduction**

The South Australian Skills Commission (Commission) welcomes the opportunity to contribute to the Productivity Commission's inquiry into Australia's productivity performance. This submission focuses on Pillar 2: Building a Skilled and Adaptable Workforce, **Building skills and qualifications for a productive workforce** (draft recommendations 2.1, 2.2, 3.1, 3.2, 3.3 and 3.4).

The needs and interests of First Nations peoples have been carefully considered in the development of this submission. The South Australian Skills Commission recognises the importance of culturally responsive approaches within the vocational education and training system, particularly in supporting First Nations learners, apprentices, and trainees.

**About the South Australian Skills Commission**

The Commission is established under the *South Australian Skills Act 2008* and plays an integral role in engaging with industry, the community and government to support employment growth and economic outcomes for South Australia. Its statutory functions include:

- Regulating the state's apprenticeship and traineeship system, including the enforcement of the *South Australian Skills Act 2008* and South Australian Skills Standards.
- Engaging with stakeholders to ensure VET is responsive to industry demands.
- Provision of a complaint handling, advocacy, and dispute resolution service.
- Monitoring and reporting on the state of VET and ACE in South Australia to our Minister.
- Enabling learners and workers to make informed skills and career choices by promoting career pathways between secondary schools, VET, ACE and Higher Education.
- Fostering lifelong learning and flexibility in the training system.

Advice provided to the Hon Blair Boyer MP, Minister for Education, Training and Skills on workforce strategies and priorities to support employment growth and investment in South Australia is underpinned by a deep understanding of South Australian industries and sectors through our ten Industry Skills Councils.

Members of South Australia's ten Industry Skills Councils represent a broad cross-section of the State's industry sectors and support the Commission's work by providing a mechanism for

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peak industry bodies, employee and employer associations, and unions to advise the Commission and government on skills, training and workforce needs.

Through evidence-informed advice on policy development, innovation, and funding allocation within South Australia, the Commission strives to enable the conditions for skills-based careers to flourish in different cultural and community contexts, from metropolitan areas to our rural, regional, and remote areas of South Australia.

## 2 Building skills and qualifications for a more productive workforce

**Response to Draft recommendation 3.1**

> **Draft recommendation 3.1**
> **Remove excessive occupational entry regulations that offer limited benefits**
>
> State and territory regulators should work to eliminate occupational entry regulations that exist in their jurisdiction but not in others, where the evidence that the regulations improve outcomes is weak. As a start, reductions in occupational entry regulations should be considered for:
>
> - motor vehicle repairers in New South Wales, Western Australia and the Australian Capital Territory
> - air conditioning and refrigeration mechanics in New South Wales
> - hairdressers in New South Wales and South Australia
> - painters and decorators in New South Wales, Victoria, Queensland, Western Australia and South Australia.

- The report recommends reducing occupational entry regulations for hairdressers (NSW, SA) and painters/decorators (NSW, VIC, QLD, WA, SA).
- The Commission strongly opposes the suggestion made within the report that these occupations lack declared status or formal pathways and 'where the evidence that the regulations improve outcomes is weak'. These occupations are declared trades under the South Australian Skills Act 2008, with formal apprenticeship pathways and regulated licensing frameworks that uphold safety, quality, and consumer protection.

**<u>Hairdressers and Barbers</u>**

- Unlike other jurisdictions, Hairdressers and Barbers in South Australia are regulated under the *Hairdressers Act 1988* and *Hairdressing Regulations 2016*, requiring the following prescribed qualifications (or equivalent):
    - SHB30416 Certificate III in Hairdressing
    - SHB30516 Certificate III in Barbering
- This legislation was established in recognition of the risks inherent in the industry and the consequent need for consumer protection, by avoiding the unnecessary costs and stress associated with rectifying substandard services. Licensing requirements are enforced by

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Consumer and Business Services (CBS) and are designed to uphold professional standards, consumer protection, and workplace safety. Licensing ensures practitioners meet minimum standards of competence and accountability. Removal of licensing would risk undermining consumer trust and industry reputation.

- Consultation with the South Australian Hair and Beauty Association (SABHA), who do not support changes to the regulatory or licensing requirements, state that hairdressing and barbering should not be classified as low-risk industries. Both industries involve the use of hazardous tools and chemicals that carry dangers, which are exacerbated when used and applied by untrained individuals. For example:
  - Chemical Services: Products such as hair colour, bleach and straightening systems contain powerful chemicals. Incorrect use can result in scalp burn, hair loss, allergic reactions, or respiratory issues.
  - 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.
- This strong regulatory foundation has enabled the creation of a resilient apprenticeship system that has resulted in industry stability and higher completion rates than the national average. According to the National Centre of Vocational Education and Research (NCVER), South Australia has a completion rate of 37.4% compared to the 31.2% national average.
- Further, in South Australia, it is an offence under the South Australian Skills Act 2008 (section 45A) for a person to undertake to train a person in a trade, except under a training contract (apprenticeship).
- Hairdressing and barbering have been declared as a trade in South Australia (apprenticeship).
- Prior to amendments to the Act that came into force on 1 July 2021, only employers were prohibited from undertaking to train a person in a trade. The effect of the change in the wording from ‘an employer’ to ‘a person’, now also makes it an offence for a nominated training organisation (NTO) to deliver training in a trade outside of a training contract.
- The Commission will soon be taking regulatory action to give effect to the legislation, ensuring that hairdressing and barbering in South Australia will only be able to be delivered under a training contract.

- To address the potential barriers for overseas qualified hairdressers and barbers, the Commission's Occupational Recognition Service (ORS) enables individuals in this cohort to be assessed for trade recognition.
- Further, the ORS is a statutory responsibility of the Commission and is required by law to accept applications for recognition.

**Painters and Decorators**

- Painters and Decorators must hold a Building Work Contractor's Licence issued by Consumer and Business Services (CBS), which requires:
  - CPC30620 Certificate III in Painting and Decorating
  - Minimum four years of industry experience
  - Proof of financial capacity (minimum $10,000 in assets).
- The Master Painters, Decorators and Signwriters Association of South Australia (MPDSASA) do not support changes to the licensing requirements, highlighting the value it brings to the consumer and contractor.
- The Commission has defined supervision risk ratings for all occupations declared as either an apprenticeship or traineeship. The supervision ratings related to training risks, that is, the risks associated with a poorly trained apprentice or trainee. The rating criteria includes the risks to public and private infrastructure, subsequent clients (for example aged citizens and children in need of care), employer, workplace health and safety risks and occupational hazards.
- Data from ReturnToWorkSA (RTWSA) further supports the need for structured training, supervision, and licensing. It indicates higher-than-average risk profiles for Painters and Decorators in the areas of chemical exposure, working at heights, and equipment use.
- Structured and regulated pathways support workforce development, professional competency, and public safety. According to NCVER's Apprentice and Trainee Outcomes 2024 report, 95.4% of trade students were employed after completing their apprenticeship or traineeship, with 74.4% employed in the same occupation in which they trained. This underscores the strong employment prospects and relevance of these apprenticeship pathways.

- Deregulation risks compromising public safety, diminishing training quality, and eroding trust in the skilled trades workforce. Jurisdictional variation may reflect legitimate differences in industry structure, risk profiles, and workforce needs, and this can be justified provided it continues to uphold core standards of safety, competency, and consumer protection.

**Industry Accelerated Apprenticeship Pilot**

- A three-year Industry Accelerated Apprenticeship Pilot (IAAP) is being launched in 2026, offering fast tracked apprenticeships across multiple trade pathways. The pilot will be delivered in partnership with Group Training Organisations (GTOs) and will support up to 1000 new apprentices. The pilot will ensure that in delivery qualified tradespeople, safety and quality of training benchmarks will be upheld.

- While selection of trades for the Industry Accelerated Apprenticeship Pilot (IAAP) pathways was informed by average early completion data, ensuring that there was potential for a reduced duration, additional rationale for each pathway is provided below:

<u>Engineering (Certificate III in Engineering – Mechanical Trade and Certificate III in Engineering – Fabrication Trade)</u>

- These two pathways were selected predominately to support trade level demand for Mechanical Fitters and Fabricators in the Defence sector to address immediate workforce need for LoTE (Collins SSN), Hunter Class Frigates and the upcoming SSN-AUKUS build. The injection of workforce via the IAAP will also serve current adjacent industry need for these vocations.

<u>Civil Construction (Certificate III in Civil Construction and Certificate III in Civil Construction Plant Operations)</u>

- These two pathways were selected to support large infrastructure builds being undertaken in the State. Builds such as the new Women's and Children's Hospital, T2D and the Northern Water Project which will all require a significant civil construction workforce and may all enter the build phase simultaneously, effectively competing for the same skilled workforce.

<u>Carpentry (Certificate III in Carpentry)</u>

- This pathway was selected to support build of new residential housing. It is predicted that South Australia will need over 300,000 new residential homes over the next 30 years to accommodate population growth. We also have an acute shortage in construction trades, including Carpentry, and it has been predicted that we are currently only meeting 80 per cent of residential build requirements in the state.

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Painting and Decorating (Certificate III in Painting and Decorating)

- This pathway was also selected to support the residential housing crisis and aims to increase commencements in the trade and prevent individuals and businesses operating un-qualified and un-licenced.

Cook (Certificate III in Commercial Cookery)

- This pathway was selected to support the workforce shortage in the Hospitality sector and aims to increase completion rates for Commercial Cookery apprenticeships in the state, which are currently low. NCVER reports that only 30.2 per cent of individuals who commence a Training Contract in Commercial Cookery in South Australia successfully complete it.

**Additional feedback:**

**Draft recommendation 2.1**
**Move toward a national system of credit transfer and recognition of prior learning (RPL)**

To better enable credit transfer and RPL, the Australian Government should:
- enforce the right to have credit transfer or RPL assessed before the deadline for accepting an offer
- develop a national database of academic credit decision
- develop a model of coordinated assessments of prior learning, and possibly credit transfers.

**Information Request 2.1**

1 How do current challenges in navigating credit transfer and RPL impact Aboriginal and Torres Strait Islander people, people with disability, people living in regional and remote locations, women, mature-aged workers and people from culturally and linguistically diverse backgrounds?

In the VET sector, navigating the RPL process requires individuals to have an awareness of available services, sufficient digital and general literacy to access and interpret information, and confidence to articulate their experience and gather the necessary evidence to support an RPL application. These requirements can disproportionately impact equity groups. For example, individuals from CALD backgrounds may face language barriers; Aboriginal and Torres Strait Islander people and those in remote areas may have limited access to digital infrastructure or support services; people with disability may encounter accessibility issues; and mature-aged workers or women returning to the workforce may lack confidence or familiarity with current systems. Many of these requirements, in addition to costs, could be considered barriers for individuals in navigating and accessing RPL. For those who may be transitioning from adult community education to mainstream VET, dealing with a larger, less personalised organisation may also pose a barrier.

### Information Request 2.2

1 Is a national credit database feasible with the current credit data infrastructure?

Nil response

2 Would it be possible to codify RPL decisions into the database? What are the key challenges?

Possible challenges for codifying RPL decisions for the VET sector:

- The regular update of training package products could create unintentional complexity for database entries. For example, if one unit of competency assessed as part of a broader RPL process is superseded and deemed not equivalent, resulting in the existing codified decision being considered invalid and not providing the intended value to the end user.
- Without applying a standardised approach and tools to the RPL assessment, the unique nature of each codified decision could be difficult for the end user to interpret. However, in considering a standardised approach, caution is recommended to ensure that cohorts, for example adult community education participants, are not unintentionally disadvantaged.
- The different models used for the delivery and assessment of units of competency may pose complexities for codification, for example where units of competency are grouped together and assessed holistically.

3 What are the major risks of establishing a national database? How can this be mitigated?

The Commission supports initiatives that improve transferability and recognition of skills across jurisdictions, including the proposed staged approach toward a national database. However, from a regulatory and quality assurance perspective, the following considerations apply:

- Any system of credit transfer must align with the Australian Qualifications Framework (AQF) and and the Standards for RTOs, which provide the regulatory and quality assurance framework for training providers.
- While microcredentials and recognition of informal/workplace learning are valuable, they should not displace or weaken structured, regulated training pathways, particularly in declared trades with high workplace safety risks.

- Evaluation of the National Skills Passport, skills taxonomy, and microcredential pilots should occur prior to national implementation to ensure that equivalency and consistency are not compromised.

With increased use of skills and knowledge meta data as part of digital badging (by schools, VET and higher education), thinking could be pivoted to AI solutions that enable increased use of this data to enable more efficient and robust RPL and credit processes. Using consistent skills descriptors, as proposed by the development of a skills taxonomy, may support the utilisation of an RPL and credit database as there would be increased consistency in entries and assessment outcomes (within VET and between VET and higher education) and increased consumer confidence in the consistency and quality of the process.

### 4 What are the key barriers to coordinating consistent and accurate data on credit decisions across providers? How can providers be supported to overcome these barriers?

Key barriers to be considered:

- The administrative burden for providers in collating decisions and maintaining the database could be problematic. For larger providers, would a single user be responsible for the collation and entering of decisions or would access to the database be granted to large groups of staff to enable individual upload of decisions? As the number of individuals with access to entering data increases, so does the risk of inaccurate data uploads and lags between decisions being made and published.
- The value proposition for a database must be tested with RTOs and higher education institutions to ensure longevity of investment. Ensuring there is adequate demand from a user perspective could assist in building a case for broad provider involvement.
- Usability of the database product for both the provider and end user is critical to encourage usage.
- Unintended behaviour where one provider uses the decisions recorded in the database for competitive advantage.

In terms of supporting providers to overcome the challenges, consideration could be given to the following:

- The role of ASQA in creating an expectation that providers will be able to demonstrate that they are maintaining the database as part of compliance requirements.
- The availability of assessment tools for individuals to support informed decision making about whether an application for RPL is suitable to the individual's circumstance and should be pursued.
- One of the drivers for the establishment of a database includes the transparency of credit and RPL decisions between higher education and VET sectors. Further

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investigation is recommended to determine if support is required for each sector to gain an understanding to support across-sector RPL processes that are evidence-based.
- Ensure that the value proposition of the database can be measured from the provider and user perspectives.

**Information Request 2.3**

1 What approaches are used? What costs are incurred? What level of staff involvement is required?
Nil response

2 Would it be helpful to have a coordinated RPL assessment process that spans multiple education providers? Would that be feasible? What would be the challenges and risks?
The development of a targeted pilot is suggested, for example, as a project of the National TAFE Network where it is possible to draw on the collective expertise of public VET providers nationally to devise and share tools and resources for consistent assessment of RPL with a view to testing the suitability of codifying decisions.

**Draft recommendation 2**
**Better target initiatives to lift work-related training rates in small and medium enterprises (SMEs)**

The Australian Government should trial:
- financial incentives (such as a credit tax) to increase work-related training for SMEs
- SME advisory services to support work-related training.

**Information Request 2.4**

1 What is the most effective way to encourage SMEs to increase work-related training? What lessons are there from past programs and policies?

The Productivity Commission's interim report identifies that small and medium enterprises (SMEs) train less frequently than large firms, often due to financial constraints, time pressures, and uncertainty about returns. South Australia acknowledges these challenges and supports the Productivity Commission's recommendation to better target incentives to lift training rates in SMEs.

SMEs are central to the South Australian economy, particularly in regional communities and priority sectors such as defence, advanced manufacturing, building and construction, early childhood education, and renewable energy. Increasing their participation in work-related training is essential to building a skilled and adaptable workforce.

To support this, the South Australian Skills Commission recommends:

- Co-designing incentives with industry, ensuring relevance to SME needs and workforce priorities.
- Linking incentives to recognised training pathways, including apprenticeships, micro credentials, and accredited skill sets.
- Providing advisory support, such as regional workforce coordinators or training brokers, to help SMEs navigate training options and funding.
- Streamlining access and reducing administrative burden, making it easier for SMEs to engage with training programs.
- Monitoring and evaluating uptake, to ensure incentives are effective and responsive to changing workforce needs.

The Commission supports targeted incentives to increase work related training in SMEs, provided they are co-designed with industry, linked to recognised training pathways, and supported by advisory services to ensure accessibility and impact.

It's also worth drawing attention to the Construction Industry Training Fund (CITF) Levy, which is collected on building and construction work in South Australia to fund quality training and initiatives that attract and develop a highly skilled workforce within the state's building and construction industry.

The Construction Industry Training Board (CITB) was established in 1993 via an Act of Parliament to administer the Construction Industry Training Fund Act 1993 and the Construction Industry Training Fund Regulations 2021.

### 2 What should be considered in determining an appropriate size of SMEs eligible for financial incentives for training? Should sole traders be eligible?

Consideration could be given to where productivity gains will be the greatest (such as service industries, as identified in the report), according to both the size of the SME, the industry they operate within, and which sectors/ occupations are most affected by rapid technological change.

Further, consideration at the state level is suggested to map employer access to current financial assistance that can be utilised for training to ensure equitable access across sectors.

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3 Which types of formats of training (for example, management or IT-related, short courses versus workshops) should be covered by financial incentives? How should training providers be vetted? What types of training would be most effective in increasing productivity in SMEs?

While the use of accredited courses is ideal, the Commission recognises the lengthy timeframes associated with bringing training to market within the Training Package Operating Framework.

The ASQA Delegation of Course Accreditation Pilot is a positive step towards achieving greater flexibility, speed to market, and improved responsiveness to the needs of students and industry. However, it is recommended that flexibility be incorporated to accommodate a variety of training to be covered by the proposed financial incentives in key priority areas.

4 How and at what level should support for training be capped (per firm, per employee)? How can co-payment requirements be designed to reduce inefficiencies without disadvantaging small businesses?

The costs associated with the delivery of training will vary considerably. For example, set costs based on minimum participant numbers, regional face-to-face delivery and costs associated with travelling to attend training.

Consideration could be given to the provision of funding to industry associations and peak bodies, rather than individual employers or employees. This would enable the associations to broker training needs on behalf of their members to achieve economies of scale, determine appropriate co-payment requirements, and ensure that training delivered is of an appropriate standard that meets the needs of industry.

5 What other criteria should be considered when determining eligibility for financial incentives?

Currently the South Australian government is considering reforms to introduce a continuing professional development (CPD) program for the building and construction sector. Discussion with Industry Skills Council members identified that where CPD is a requirement of licensing renewal processes, they were likely to encourage the sole trader and SMEs to participate. The provision of incentives to undertake training to fulfil regulatory requirements could assist in strengthening sectors skills and knowledge.

In the same discussion, industry representatives highlighted the importance of setting criteria for what constitutes as continuing professional development.

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6 Can the introduction of financial incentives for training in SMEs lead to increased risks of fraud or misuse? Have past measures identified significant fraud and misuse?

Nil response.

7 What other risks, complexities or unintended consequences should the Australian Government be aware of?

Nil response.

**Information request 2.5**

1 What advisory or consultation services would most effectively support SMEs to increase their provision of work-related training? In what form should this support be made available or delivered?

An example of a recently established Jobs and Skills Hub is provided below:

A key element of the Upper Spencer Gulf Workforce Plan is the establishment of the Spence Gulf Jobs and Skills Hub in Whyalla, South Australia. The Hub will support SMEs in the region and connects workers in the area with job opportunities, information, services and training. Services to be delivered by the Hub include:

- A range of information sessions and workshops to equip workers with practical skills and advice.
- General support and advice to help workers navigate changes in their jobs and careers.
- Facilitation of training, including recognition of prior learning, upskilling and reskilling.
- Tailored industry projects and programs that lead to workforce outcomes.

2 Which government entities should be responsible for coordinating and delivering support services?

Responsibility should be shared across all levels of government:

- Commonwealth Government
- South Australian Government
- Local Government

3 What should be considered in deciding whether and how support services are publicly funded?

- Equity and inclusion: Support should prioritise SMEs in regional, remote, or disadvantaged communities.

- Strategic workforce priorities: Funding should target sectors and regions that align with national and state workforce priorities.

4 Do Australian SMEs have persistent capability gaps, such as managerial capacity, digital competencies or any other critical skills, that an advisory or consultation service should prioritise?

Feedback received through Industry Skills Council members (who represent unions and peak bodies and employer and employee associations) has highlighted the following persistent skill/capability gaps for both generalist and specialist skills including:

- Digital capability
- Cyber security
- Artificial Intelligence
- Sustainability
- Managerial capability
- Marketing
- Supervising apprentices and trainees.

**Information request 2.6**

1 With ongoing tertiary education reforms in mind, what else can the Australian Government do to address the work-related training barriers individuals face?

In terms of supporting the principles of the Australian Universities Accord regarding tertiary sector harmonisation, the Australian Government should consider changes to remove barriers for employers and degree apprentices. Key matters for consideration include the responsibility for the payment of student tuition fees, extension of the support provided by Apprenticeship Connect Australia Providers, financial incentives for employers and apprentices, and underpinning industrial arrangements.

Employers that pay student tuition fees associated with a Commonwealth Supported Place are levied a 47% fringe benefit tax (FBT). Conversely, employers of VET apprentices are invariably required, by virtue of the relevant Modern Award, to pay student tuition fees but are not liable for FBT.

Degree apprenticeships have been introduced in response to industry concerns that, upon graduation, mainstream higher education students have not been able to readily apply their theoretical knowledge in the workplace. Consequently, employers have had to provide significant on-job training once graduates enter the workforce.

Continued strengthening of the Australian Apprenticeship Incentives System is required.

For South Australia, SMEs represent almost 60% of employers engaging apprentices in priority occupations. Retention of employer incentives for this cohort would further encourage commencements within the state.

2 How does low participation in work-related training impact different segments of the population, such as Aboriginal and Torres Strait Islander people, women, people with disabilities and workers in regional and remote areas?

- Aboriginal and Torres Strait Islander people
    - Limited access to training exacerbates existing gaps in employment outcomes, especially in remote communities.
- Women
    - Low training uptake reinforces occupational segregation (e.g., concentration in lower-paid traditionally female-dominated roles). Limits access to higher-paying roles.
    - Women returning from career breaks (e.g., parental leave) may miss reskilling opportunities.
- People with disabilities
    - Individuals may be excluded from higher-paying roles
    - Gaps between disability services and employment/training systems can leave individuals without the tailored support needed to participate.
- Workers in Regional and Remote Areas
    - May miss re-training for emerging industries and growth sectors
    - Lack of training can drive youth and skilled workers to relocate, weakening local economies.

3 What risks, complexities or unintended consequences should the Australian Government consider?

- Over-reliance on digital delivery can unintentionally exclude those without reliable access, digital literacy or assistive technologies.
- Multiple reforms are underway, ie. microcredential pilots, the National Skills Taxonomy, Skills Passport, and tertiary system harmonisation which may overlap or compete. Without strong coordination these initiatives could confuse learners and employers, reducing uptake.
- If recognition tools are not designed inclusively, they may widen participation gaps for regional Australians, older workers, and people with disabilities.
- Government must ensure that both learners and employers understand how non-formal training can be recognised.

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# 3 Fit-for-purpose occupational entry regulations

**Draft recommendation 3.1**
**Remove excessive occupational entry regulations that offer limited benefits**

State and territory regulators should work to eliminate occupational entry regulations that exist in their jurisdiction but not in others, where the evidence that the regulation improve outcomes is weak. As a start, reductions in occupational entry regulations should be considered for:

- motor vehicle repairers in New South Wales, Western Australia and the Australian Capital Territory
- air conditioning and refrigeration mechanics in New South Wales
- hairdressers in New South Wales and South Australia
- painters and decorators in New South Wales, Victoria, Queensland, Western Australia and South Australia.

**Draft recommendation 3.2**
**Expand entry pathways and streamline qualification requirements for occupations**

Australian, state and territory governments should assess whether current regulated qualification requirements for occupations are proportionate to identified risks and implement alternative entry pathways where feasible while maintaining quality and safety standards.

To begin, the Australian Government should consider revising qualification requirements for registered company auditors by introducing a tier of licensing for lower-risk assurance activities.

Australian, state and territory governments should also address skill shortages in trade occupations by investigating opportunities for alternative approaches to acquiring competencies in trade-based occupations and expanding non-apprentice pathways.

**Draft recommendation 3.3**
**Improve the regular reviews of occupational entry requirements**

State and territory treasury departments, or other government authorities responsible for regulatory policy advice, should work with licensing regulators to jointly review occupational entry regulations in their jurisdiction. These reviews should remove regulations deemed to be excessive and not proportional to risk. They should draw on joint expertise on industry and licensing, as well as principles for best practice regulation.

Licensing regulators and treasury departments should undertake sunset reviews of occupational entry regulations on a scheduled basis. State and territory governments should also perform independent reviews to identify occupational entry regulations that are no longer fit for purpose.

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## Information request 3.1

1 What occupational entry regulations should be prioritised for review?

See response on pages 2 to 4.

2 Are there examples of requirements other than occupational entry regulations that overly limit entry into professions? How could these be addressed?

Nil response

3 How do occupational entry regulations uniquely impact segments of the population, such as Aboriginal and Torres Strait Islander people, women, mature-aged workers and people from culturally and linguistically diverse backgrounds?

Nil response

4 Aside from regulatory impact assessments, what other policy instruments could Australian governments use to better address excessive occupational entry regulations?

Nil response

5 What data collection would best inform the evaluation of occupational entry regulations?

- NCVER completions data
- State based WorkCover insurance claims (employee claims)
- Public claims for damages (injuries and works undertaken that fail to meet benchmarked standards – regulated vs unregulated)
- Licensing compliance data

6 What alternative approaches to apprenticeships should governments consider to improve pathways into trade-based occupations, while maintaining quality standards? And what are the potential implications of alternative pathways?

The South Australian Skills Commission is at the forefront of skills innovation in Australia having introduced several flexible and innovative programs. One of the four strategic priorities of the Commission is to innovate and advocate to enable the skills system to adapt to workforce requirements. Examples include:

- **Dual trades** – The first South Australian dual trade was approved by the Commission for Electrician and Refrigeration/ Airconditioning Technicians, reducing the time to complete from a nominal eight years to five. This has been followed by dual trades in Heavy Commercial Vehicle/ Automotive Electrical Technicians, Light Vehicle/ Automotive Electrical Technicians and Agricultural Mechanical Technician/ Automotive Electrical Technicians.

- **Degree Apprenticeship pathways** - The nation's first degree apprenticeship in the trade of Software Engineer, aligned to the Bachelor of Software Engineering (Honours), offered through UniSA was approved by the Commission, supporting people to gain higher level skills needed by industry. This was followed by an apprenticeship pathway in the trade of Mechanical Engineer, aligned to the Bachelor of Engineering (Mechanical) (Honours) offered by Flinders University in 2024.
- **Industry Accelerated Apprenticeship Pilot** – (See pages 4 to 6).
- **South Australia's Occupational Recognition Service**, launched in November 2024, supports recognition of qualifications and experience equivalent to that obtained through a trade or declared vocation. More recently this framework has been adopted for the recruitment of skilled migrants who will be assessed and entered into mid-stream apprenticeships in Australia.

7 How can Australian governments and industries facilitate and incentivise greater use of accelerated apprenticeships?

Utilise and build on outcomes from pilot projects, such as that being undertaken in South Australia. In addition, interrogate jurisdictional apprenticeship data to determine where completions are achieved consistently prior to the nominal term and combined with industry intelligence determine pathways most suitable for the accelerated model.

8 How can the Australian Government best support state and territory governments in reforming occupational regulations?

South Australia already conducts ongoing reviews of licensing regulations through agencies such as Consumer and Business Services (CBS).

To enhance this process:

- Introduce sunset clauses for new or significantly amended regulations, requiring a formal review within a set timeframe (e.g. 5 years) to assess continued relevance and effectiveness.
- Commission independent evaluations of selected occupational regulations, particularly where there is evidence of barriers to entry, duplication, or misalignment with national standards.
- Establish a cross-agency review panel involving CBS, the South Australian Skills Commission, and industry representatives to coordinate reviews and ensure alignment with workforce needs and skills recognition pathways.
- Leverage data and feedback from the Occupational Recognition Service and licensing applicants to identify pain points and opportunities for streamlining.

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- Benchmark against other jurisdictions, particularly those with mutual recognition arrangements, to ensure South Australia's regulatory settings remain competitive and supportive of labour mobility.

The Commission supports structured and transparent reviews of occupational entry regulations, provided they are inclusive of industry, safety, and training stakeholders, and are not solely driven by deregulation objectives. Reviews should aim to ensure regulations remain fit-for-purpose, support workforce mobility, and uphold public confidence in licensed occupations.

## 9 How can the National Competition Policy process (or other longer-term arrangements) help to incentivise reform on occupational entry regulations?

The South Australian Skills Commission notes the importance of national consistency in occupational recognition. However, the use of National Competition Policy as a lever to drive deregulation in high-risk trades and licensed occupations is not supported.

Licensing and occupational regulation should be governed by principles of risk management, public safety, and professional standards, not market competition alone.

Applying a competition policy process risks:

- Undermining public safety in sectors where technical competence is critical.
- Eroding training quality by incentivising minimal compliance over robust skill development.
- Weakening consumer protections, particularly in trades where poor workmanship can have serious consequences.

A National Competition Policy is not designed to assess occupational risk or training integrity. Blanket deregulation incentivised by competition frameworks may lead to inconsistent standards across jurisdictions. Reform should be evidence-based, not economically driven at the expense of safety and quality.

In summary, the South Australian Skills Commission supports:

- Harmonisation of licensing and qualification requirements only where risk and safety standards are demonstrably equivalent.
- Collaborative national reform that strengthens, not weakens the integrity of regulated occupations.
- Preserving the role of high-quality training and licensing in protecting workers, consumers, and the public.

10 What other aspects of occupational entry regulations (or broader, contextual issues) warrant consideration by Australian governments?

The Productivity Commission proposes developing and applying a national index to compare the stringency of occupational entry regulations across jurisdiction. The South Australian Skills Commission does not support the use of a national index as a sole basis for reform, supporting jurisdictional-specific analysis informed by industry and safety data, noting:

- A national index may oversimplify complex regulatory environments.
- Risk profiles and workforce needs vary significantly between states.
- Reform should be guided by industry consultation and safety evidence, not comparative metrics alone.