

BCA

Business Council of Australia

National Competition Policy Analysis

BCA Submission

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Contents

1. Executive Summary 2

2. Occupational Licensing..... 3

3. International standards..... 6

1. Executive Summary

The Business Council of Australia (BCA) welcomes the opportunity to provide a submission to the Productivity Commission's National Competition Policy Analysis 2025.

The BCA represents around 130 of Australia's largest and most significant employers. We are a member-led organisation, and our submissions are the result of the engagement with those members, and the expertise and practical experience they share with us.

The BCA is committed to prioritising productivity in all aspects of government policy. We see productivity as the primary factor which will define Australians' future quality of life and that we must be able to produce more with what we have if we are to sustain growing real wages, living standards and national prosperity. Australian productivity has not meaningfully improved in around a decade and today, our productivity growth languishes well behind most comparable nations—including the G7 and OECD as a group. Other nations are winning the business investment that can make our efforts more productive, in new technologies and capabilities.

We welcome the Productivity Commission's focus on occupational licensing and international standards as reforms in these areas can help to offer immediate productivity gains and benefits for businesses, workers and consumers.

The BCA will continue to produce its own productivity analysis and respond to submissions on productivity, including areas of focus identified by the Productivity Commission. These will be available on our website <https://www.bca.com.au/submissions>.

2. Occupational Licensing

Professional and registered labour mobility boosts productivity by expanding the pool of skilled workers and enabling them to move where demand is highest. It is particularly important for cross-border communities and national industries with variable labour needs, such as the mining sector, or to support major boosts in demand such as the build as part of the 2032 Brisbane Olympic Games.

Many professions require a licence or registration to operate across Australia. Where these are issued nationally there are minimal barriers to mobility across Australia. However, for professions like plumbing, where licences are issued at the state or territory level, requirements can differ, and licences may not be recognised across jurisdictions.

What is the issue?

Australia's fragmented occupational licensing system continues to constrain workforce mobility, especially in the trades. The introduction of a uniform Automatic Mutual Recognition (AMR) scheme was a welcome reform, projected to boost the economy by \$2.4 billion over a decade and benefit more than 168,000 workers — including around 44,000 who are now working interstate as a direct result.¹ However, key barriers remain. Many occupations — including electricians and plumbers — are exempt from AMR in several states, and Queensland does not participate at all, undermining the scheme's national impact.

Exemptions, inconsistent licensing standards, and varying insurance and regulatory requirements across states create a fragmented and burdensome system. Employers must navigate multiple regimes, while workers face duplicated requirements, added costs, and delays — even when already qualified. This patchwork limits the efficient deployment of skilled workers, particularly during shortages or emergency responses.

Our members strongly support the AMR scheme and report many positive examples of cross-border work without compromising quality. However, inconsistent licence recognition remains a barrier — limiting workforce mobility, particularly for FIFO roles and major infrastructure projects like transmission lines.

The BCA welcomes the intention to establish a national licensing scheme for electricians, which would help to reduce red tape, and support mobility—particularly for sectors critical to the clean energy transition. A national licensing scheme for electricians would expand the available talent pool and reduce recruitment and project costs. The Productivity Commission recently estimated reforms to occupational licensing that remove unnecessary requirements could boost GDP by up to around \$10 billion.²

What is the solution?

A broader review of occupational licensing can assist to unlock the full potential of Australia's skilled workforce. This reform will enhance labour mobility, reduce business compliance costs, and help address critical skill shortages. Priorities for this Productivity Commission study, and further reforms, should include:

- Harmonising licensing requirements across states and territories to simplify recognition and reduce duplication. In the first instance, this should include undertaking an analysis of licence requirements in each state for key construction trades, such as electrical, plumbing and gas fitting, and carpentry.
- Minimising exemptions under the AMR scheme to ensure more occupations benefit from mutual recognition.
- Strengthening coordination between regulators to align regulatory practices and facilitate seamless cross-border work.

¹ https://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2F6689_ems_929e8657-5881-4cb2-91d0-2067086a3bbc%22

² <https://www.pc.gov.au/inquiries/completed/competition-analysis/report/competition-analysis.pdf>

- Determining how to best utilise the \$900 million National Productivity Fund to incentivise state and territory governments to support national occupational licensing frameworks.

2.1.1 Productivity Commission Questions

Which occupations would be best suited to a national licensing scheme?

Current occupational licensing arrangements have evolved over decades and can differ across jurisdictions. Indeed, roles that may require licensing in one jurisdiction may not require it in other jurisdictions. While a starting principle should be to adopt a national approach, this may not be appropriate or practical for all circumstances. Occupations that may be good candidates for nationalising or harmonising usually share the following traits:

- High levels of cross-border mobility or demand for workforce portability.
- Regulatory inconsistency across jurisdictions, creating barriers to practice.
- Identified workforce shortages or alignment with infrastructure delivery priorities.

Examples of such occupations include:

- Electrical trades
- Plumbing professionals
- Teachers
- Aged care and disability support workers

What would be the first steps towards a national licensing scheme for selected occupations?

- Develop a detailed matrix comparing licensing requirements for target occupations across all states and territories, starting with priority trades like electricians and expanding to others.
 - This occupation-by-occupation approach will help identify specific regulatory, safety, and competency issues, providing a clear evidence base to inform national licensing discussions.
- Engage relevant industry bodies and unions in each jurisdiction to assess whether national licensing or AMR is the most effective model for each trade, based on this analysis.

Why did previous attempts at a national licensing scheme, such as the National Occupational Licensing Scheme, fail?

We believe previous attempts have failed due to:

- Lack of genuine buy-in from stakeholders, including states and territories, unions, and employers.
- Lack of a strong evidence base of occupation-by-occupation licensing requirements, gaps and overlaps.
- One-size-fits-all rather than a targeted approach.

How could a renewed attempt overcome the barriers to a national licensing scheme?

- As above, ensure employers and unions co-design the licensing schemes – based on clearly understood and agreed matrix of licensing requirements, and ensure buy-in and agreement from every state and territory.
 - States and territories could be incentivised to adopt national occupational licensing frameworks via National Productivity Fund.

What benefit would a national licensing scheme provide over an expansion of the automatic mutual recognition scheme?

- The best approach will vary by occupation — it should be guided by the nature of each licensing system, not a one-size-fits-all model.
 - AMR may be more suitable for occupations where local regulatory, safety or training differences are important to retain.
 - National licensing could offer greater consistency and mobility for high-risk or high-demand occupations, such as electricians.
- A detailed license matrix and consultation with industry, unions and regulators will help determine which model is most effective for each trade.

How could the PC best quantify the benefits of a national licensing scheme?

The PC could best quantify the benefits of a national licensing scheme by modelling the economic gains from increased labour mobility—particularly in high-demand sectors such as construction, health and energy. This could include:

- Productivity uplift and project cost savings from reduced licensing duplication and faster deployment of skilled workers.
- Workforce participation gains.
- Case studies from existing automatic mutual recognition arrangements to measure time and cost savings for employers and workers.
- Scenario analysis comparing current licensing fragmentation with harmonised or national models, drawing on input from industry, unions, and state regulators.

3. International standards

We welcome the Productivity Commission's exploration of adopting international standards and harmonising standard setting frameworks in priority sectors across Australia. Avoiding bespoke frameworks can significantly boost productivity by reducing administrative and compliance costs and saving time in product or service lifecycle management to meet various regulatory requirements.

What is the issue?

Australia must effectively engage with other countries across our region and the rest of the world as the strength of our economy is underpinned by our openness. Openness to trade and investment helps drive productivity growth and improves living standards by increasing access to markets, enhancing product market competition and provides an important channel for the diffusion of technology.

Policymakers balance the demand for international goods and services with adherence to quality and social standards expected by Australians. They assess whether an international standard meets Australian expectations or if a standalone standard is necessary. International alignment offers benefits in productivity and timeliness, while standalone standards allow for design tailored to Australian conditions where appropriate.

What is the solution?

We recognise that not all standards need international harmonisation. Australia's unique environmental and cultural factors sometimes necessitate specific standards in some instances. Our unique and world leading plain packaging tobacco requirements are a good example of this. However, having separate unaligned domestic standards in all instances is often unnecessary and can be economically harmful. Local standards do not always guarantee better outcomes for Australian consumers compared to international ones.

As the 14th largest economy in the world, and with a globalised trade profile, Australia routinely imports goods and services that are designed, manufactured, and maintained offshore. While our market is valued by international producers, Australia's relative scale means these producers are more likely to prioritise compliance with international or major economic bloc standards—particularly those of the United States or the European Union—over uniquely Australian requirements.

When considering international harmonisation, two key approaches should be assessed. The first is the adoption of standards developed by well-recognised and respected international standard-setting bodies, ideally those where Australia or regional partners have had direct representation or involvement. Prominent examples include the International Organisation for Standardisation (ISO) and the International Organisation of Securities Commissions (IOSCO), both of which play a critical role in facilitating global consistency.

The second approach is alignment with reputable jurisdictions, either through concurrent approval processes for new products and services, or by directly adopting another country's or region's standards. Where this occurs, we submit that Australia should prioritise the adoption of standards from jurisdictions with which we have significant trade relationships and broadly comparable regulatory and safety frameworks. Arrangements with New Zealand, including the joint Standards Australia and Standards New Zealand (AS/NZS) series, provide a model of alignment. In areas where no established international standards exist, this type of bilateral (or potentially multilateral) approach offers a proven framework that could be extended to other sectors.

If Australian standards diverge from global benchmarks, we risk delayed product entry, increased compliance costs for local businesses, or, in some cases, exclusion from accessing new goods and services altogether. Ensuring regulatory alignment with trusted international standards is therefore critical to maintaining Australia's competitiveness, consumer choice, and access to innovation.

Ultimately all standards need to meet the expectations of Australians. Where international standards are adopted for a particular product or services - a conscious decision to adopt them needs to be made by Australian policy makers, and optionality should exist to depart from these standards when there is a valid reason to do so. One

example is the proposed amendments³ to Product Safety Regulation, which aim to better facilitate the recognition of international product standards within Australian law. These amendments also seek to ensure that standards remain current with global changes and require businesses to provide evidence of compliance upon request.

A prime example of harmonised standards in action is financial reporting. Thanks to global efforts two decades ago, users can more readily compare corporate reports across jurisdictions. This consistency enhances the integrity of corporate reporting and promotes efficient global capital allocation.

Australia's legislative framework, driven by the Legislation Act 2003, allows for references to external instruments, which can be interpreted to include international standards. We continue to encourage the government to utilise this framework to maximise the use of appropriate international standards.

3.1.1 Productivity Commission Questions

Are there examples of Commonwealth, state, territory or local government regulation where there should be greater harmonisation with international or overseas standards and related conformity assessments or approvals? What sectors should be prioritised for reform?

Emerging technologies:

As technology evolves rapidly, policymakers are increasingly adopting new regulations or standards. This can happen before internationally recognised standards are in place to encourage harmonisation across jurisdictions. A recent example is the passage of the **Online Safety Amendment (Social Media Minimum Age) Act 2024**, which requires social media platforms to prevent users under 16 from creating social media accounts. While the government has acknowledged the implementation challenges—reflected in the technology solution trial phase and inclusion of a 12-month grace period.

However, this approach risks Australia setting regulatory precedents ahead of global alignment, including before an international standard on age assurance is finalised (ISO/IEC DIS 27566-1 Information security, cybersecurity and privacy protection — Age assurance systems.) It is critically important regulatory ambition is balanced with international coherence, particularly in fast-moving areas of digital policy.

Packaging:

Australia faces a dual productivity challenge in relation to packaging regulation—stemming from inconsistencies both across state and territory lines and between Australia and key international jurisdictions.

Internationally, Australian packaging requirements diverge in some instances from major frameworks such as the European Union's Packaging and Packaging Waste Directive and the U.S. FDA's labelling standards. These misalignments increase the regulatory burden and can limit Australia's ability to participate fully in global supply chains and global sustainability ambitions.

Effective lifecycle management is essential to achieving meaningful sustainability outcomes. Without alignment across the entire system—both within Australia and with trusted international standards—it is unlikely that government and industry will realise the full potential of the circular economy or capture the associated environmental and economic benefits.

Other examples can include the fragmented approach across the states and territories to single use plastics or container deposit schemes. Variations in labelling requirements, and eligible containers between jurisdictions create confusion for national businesses and impose unnecessary compliance costs. These inconsistencies also carry environmental opportunity costs, as they undermine the efficiency and scalability of recycling and waste reduction efforts.

³ [Product safety regulation - exposure draft legislation | Treasury.gov.au](#)

We recommend:

- Harmonised national requirements with consideration of the international context and taking into account Australia's current state of play to set a level playing field.
- Ensure there are clear obligations and responsibilities for everyone in the supply and value chain (e.g.: government, scheme administrator, brand owners, importers, packaging manufacturers, packaging suppliers, local government, consumers).
- Policy certainty and continuity to encourage investment and innovation.

TGA Approvals and International Coordination:

Therapeutic products are essential to safeguarding public health and maintaining workforce productivity across all economies. Many of these products are developed by companies that operate across the globe to leverage economies of scale to invest in research and development.

Given the potential risks, Australia appropriately applies rigorous regulatory oversight through the Therapeutic Goods Administration (TGA). In recent years, significant reforms have aimed to improve international regulatory alignment—most notably through mechanisms such as the ACCESS Consortium (comprising Canada, Singapore, Switzerland, and the United Kingdom), as well as Bridging Assessments and Concurrent Submissions options.

Despite these positive developments, concerns remain. Members have reported that products submitted for TGA approval—despite being already available, or imminently launching, in jurisdictions with high regulatory standards (particularly the European Union)—often experience avoidable delays. These delays are frequently attributed to requirements for additional data not typically requested by equivalent overseas regulators. In many cases, the data is unavailable simply because it was not required elsewhere. This imposes unnecessary burdens on sponsors, slows access to effective and reputable products, and increases costs ultimately borne by the government or consumers.

There is a clear opportunity for Australia to better leverage international assessments by trusted regulators, allowing for more streamlined approval pathways that uphold safety and quality while reducing duplication.

One example of effective international collaboration is Project Orbis, which may serve as a model for broader reform. Led by the U.S. Food and Drug Administration's Oncology Centre of Excellence, Project Orbis enables the concurrent submission and collaborative review of oncology medicines across multiple regulators, including those from Brazil, Canada, Israel, Singapore, Switzerland, and the United Kingdom. While each agency retains its decision-making authority, the shared framework facilitates aligned assessments, information sharing, and synchronised review timelines—accelerating access to life-saving cancer treatments without compromising regulatory integrity.

What is the impact of a lack of harmonisation (e.g. on compliance costs for export, import or multinational businesses, product range, prices, quality, competition, innovation and international trade and investment)?

Without harmonised international standards, the impact to Australia includes:

- **For importers of goods**, misalignment with international standards imposes a dual burden. First, compliance with Australia-specific standards often requires product modifications, testing or relabelling, introducing costs that are ultimately passed on through the supply chain and borne by consumers. Second, this disconnect creates delays in product availability. Australian consumers—who expect timely access to the same welfare-enhancing products available in other markets—may experience frustration or eroded trust in the regulatory system if Australia cannot keep pace with global product launches.
- **For exporters of goods**. Many Australian businesses look to exporting overseas as a growth opportunity, so alignment with international standards reduces compliance burden and cost for these businesses by reducing the need to re-test products to meet the specifications of overseas markets.

- For global service providers, especially in the technology sector, inconsistent or incompatible regulations may prevent the deployment of new products, features, or even critical security updates. Globally we have already seen instances where major technology firms have delayed or withheld rollouts in some jurisdictions due to misalignment with local requirements. This not only limits consumer access to innovation but also risks creating a perception that Australians are being left behind in the global digital economy.

What are the barriers to greater harmonisation?

For sectors where regulators can mandate standards by incorporating international standards as in force from time to time or accept overseas conformity assessments and approvals (e.g. road vehicles, therapeutic goods, agricultural and veterinary products, maritime, industrial chemicals and, most recently, consumer products), how is this operating in practice?

In our members' experience, harmonisation is most effective when the following conditions are met:

- A reputable and well-established international standard-setting body is in place, such as the International Organisation for Standardisation (ISO) and the International Organisation of Securities Commissions (IOSCO).
- Australia or comparable regional jurisdictions (e.g. Singapore or New Zealand) are represented on, or meaningfully engaged with, the international standard-setting body. Participation ensures that regional perspectives are reflected in the development process.
- There is a deliberate policy decision to adopt the international standard, or to align with a standard developed by a jurisdiction with a strong regulatory reputation.

Are there any reforms that should be made to Australia's standards and conformance infrastructure to support greater harmonisation while still addressing specific Australian risks and objectives?

What measures could support access to international standards incorporated in Australian regulation?

In addition to the matters outlined above, we note the following:

- Australian representation on international standard-setting bodies is critical to promoting alignment and uptake. Active participation ensures that local conditions are considered during the development of global standards, while also increasing domestic awareness and adoption of those standards.
- Where no recognised international standard exists, or there are varying standards across the global, for example, in the case of vehicle standards where there can be significant variations between similar jurisdictions such as Japan, US and the EU – there is a role for government to step in and determine:
 - If there is an appropriate standard for Australia to adopt.
 - Whether there are opportunities to work with regional and trading partners to harmonise a standard or approach.
 - If Australia importers can choose from a variety of standards, acknowledging that all would meet local expectations.
- A high bar must exist for any departure from a reputable international standard. Many harmonisation frameworks allow for bespoke additional requirements to meet local conditions. In our view, a high bar should exist for any departure to ensure incidental regulation, or 'nice-to-haves', do not creep into the local regulatory framework.

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