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Dear Professor Robson

## **National Competition Policy analysis 2025**

The Chamber of Commerce and Industry of Western Australia (CCIWA) is the peak body advancing trade and commerce in Western Australia. Our membership cuts right across the WA economy, from small and family enterprises to ASX 200 listed companies.

We are fundamentally committed to using our insights to develop and advocate for public policies that will help realise our vision of making Western Australia the best place to live and do business.

Indeed, successive Western Australian governments have sought to grow and diversify our economy, most recently with the 'Made in WA' agenda. Yet, due to our isolation, a consistent barrier to achieving economic growth in Western Australia has been the attraction and retention of skilled workers.

The inability to find labour dampens productivity, especially in Western Australia. In this regard, labour mobility is critical to our ongoing economic growth and success. We are of the view that removing barriers to mobility should be the key consideration of any reforms to national competition, as access to a wider workforce creates greater competition, and therefore, delivering benefit to workers, consumers and businesses.

But beyond skilled mobility, there are broader policy issues that exist, impacting Australia's international competitiveness. In our most recent Business Confidence survey, WA's longest running and most comprehensive report of WA business conditions, we found that rising operating costs, labour shortages and government regulatory and compliance requirements were the top three barriers for businesses.

With this context, skilled mobility and broader policy conditions are discussed in further detail overleaf.

## Addressing skilled mobility: national licensing or automatic mutual recognition

There are two key schemes that exist to address skilled mobility issues, specifically, national licensing and Automatic Mutual Recognition (AMR).

We hold the view that a national licensing framework should only be used when there is a clear demonstration of risk to public safety, which cannot be addressed through alternative means, such as codes of conduct. National licensing is not an effective instrument for skills mobility if the policy directive is vague or the licencing framework is too onerous for industry. For this reason, any national licencing system must be clear and concise, flexible and founded on the principles of being industry-led and evidence-based.

With respect to the AMR, we hold the view the AMR achieves a similar intent to licensing, while being lower cost and with lower barriers to implementation. Indeed, both the Productivity Commission and the Federal Government concluded that the AMR has resulted in greater choice and lower prices. Further, a 2020 PWC report, on behalf of the Federal Government, suggested that an additional \$2.4 billion in national economic activity could be generated over ten years, if the AMR is delivered in full.

To ensure the AMR meets its objectives related to productivity and competition, three current barriers must be addressed, namely:

- all States and Territories must be signatories. At present, Queensland is not a signatory to the AMR, restricting the full realisation of economic activity. There should also be consideration of the alignment between the AMR and the Trans-Tasman Mutual Recognition Arrangement, including the development of standardised disclosure documents for overseas-trained workers;
- there must be consistency in terminology and occupations across jurisdictions. At
  present, there is inconsistency, making the AMR difficult to navigate without
  support. Appendix 1 outlines the variance in trade recognition settings across the
  States and Territories; and
- there must be incentives in place for all States and Territories to address the two former points. At present, there is no incentive for States and Territories to harmonise, which makes the AMR inefficient and ineffective at times.

To this end, addressing the barriers with the AMR scheme should be the priority, over implementing a national licensing framework. If a national licensing framework is progressed, then we suggest that dual licensing should be maintained, allowing businesses and individuals to choose their preferred option, and be co-designed in consultation with industry.

<sup>&</sup>lt;sup>1</sup> Productivity Commission. <u>Evaluation of Mutual Recognition Schemes</u>. October 2003.

<sup>&</sup>lt;sup>2</sup> Productivity Commission. <u>Review of Mutual Recognition Schemes</u>. January 2009.

<sup>&</sup>lt;sup>3</sup> Australian Government and PWC. <u>Improving occupational mobility: Analysis of the potential costs and benefits of implementing automatic mutual recognition of occupational registrations</u>. May 2021.

<sup>&</sup>lt;sup>4</sup> Ibid.

Licensing reform should strike a balance between the need for public safety and quality assurance on the one hand, and economic efficiency, mobility, and simplicity, on the other.

Should you wish to discuss the content of this letter further, please do not hesitate to contact Aaron Morey, CCIWA Chief Economist, Director Membership, Campaigns, Strategy, via email

Yours sincerely

Dr Peter Cock

Chief Executive Officer

Appendix 1: Example of divergent names for same license: Electrician (General and Special Class) eligibility by Jurisdiction<sup>5</sup>

Jurisdiction	Nomenclature	Requirements
New South Wales	Provisional Tradesperson	Context Gap training
	Certificate	12 months supervision by a current electrician with full licence
Queensland	Restricted electrical work	Apply to undertake training
	licence/permit	Enrol with an RTO
South Australia	Restricted Electrical	Context Gap training
	Worker Registration	Be supervised by a current electrician with full licence
Tasmania	Provisional Licence	Context Gap training
		12 months supervision by a current electrician with full licence
Victoria	Supervised Workers	Context Gap training
	Licence	12 months supervision by a current electrician with full licence
		Complete the Licensed Electricians Theory (LET) and Licensed Electricians
		Practical (LEP) assessments
Western Australia	Electrician's Provisional	Apply and receive approval from regulator to attend an Electrical Licensing
	Licence	Board approved RTO
		Context Gap training
		Be supervised by a current electrician with full licence
		Police check
Australian Capital	Unrestricted Permit	Context Gap training
Territory	Electrotechnology Systems	12 months supervision by a current electrician with full licence
		Letter of Need outlining the principal trade to which the incidental work
		applies and the need for the restricted electrical permit or licence in that trade
Northern Territory	Electrical work licence	Context Gap training
	trainee permit	12 months supervision by a current electrician with full licence

<sup>&</sup>lt;sup>5</sup> Australian Government, Trades Recognition Australia. <u>Electrician (General and Special Class) requirements</u>.