

Productivity Commission's National Competition Policy 2025- Occupational Licensing

ACCI Submission

06 June 2025



Working for a business. Working for Australia.

Telephone 02 6270 8000 | Email info@acci.com.au | Website www.acci.com.au

Media Enquiries

Telephone 02 6270 8020 | Email media@acci.com.au

Canberra Office

Commerce House
Level 3, 24 Brisbane Avenue
Barton ACT 2600
Kingston ACT 2604

ABN 85 008 391 795

© Australian Chamber of Commerce and Industry 2025

This work is copyright. No part of this publication may be reproduced or used in any way without acknowledgement to the Australian Chamber of Commerce and Industry.

Disclaimers & Acknowledgements

The Australian Chamber of Commerce and Industry (ACCI) has taken reasonable care in publishing the information contained in this publication but does not guarantee that the information is complete, accurate or current. In particular, ACCI is not responsible for the accuracy of information that has been provided by other parties. The information in this publication is not intended to be used as the basis for making any investment decision and must not be relied upon as investment advice. To the maximum extent permitted by law, ACCI disclaims all liability (including liability in negligence) to any person arising out of use or reliance on the information contained in this publication including for loss or damage which you or anyone else might suffer as a result of that use or reliance.

Table of Contents

Executive Summary	1
Introduction	2
Occupational Licensing.....	2
The case for National Licensing.....	3
Why NOLS Discontinued: Lessons Learnt	3
The Ongoing Need for National Licensing Solutions	4
A Path Forward: Principles for a Future National Licensing Framework	5
International Standards	6
Conclusion	9
Next Steps	9
About ACCI	10

Executive Summary

The Australian Chamber of Commerce and Industry (ACCI) welcomes the opportunity to contribute to the Productivity Commission's National Competition Policy Analysis 2025. This submission addresses the reform of **National Occupational Licensing (NOL)** in enhancing labour mobility, reducing regulatory duplication, and improving productivity across Australia, and the **international standards**.

Occupational Licensing

Occupational licensing remains heavily fragmented across jurisdictions, creating unnecessary compliance costs and barriers to workforce mobility¹. The attempt to resolve these inefficiencies through the National Occupational Licensing System (NOLS) was well-founded, but unsuccessful due to intergovernmental disagreement and concerns over regulatory dilution.

Despite its discontinuation, NOLS's objectives—labour mobility, consistency, and economic efficiency—remain as relevant today as ever. ACCI supports a renewed, pragmatic approach to national licensing that is voluntary, industry-led, and complementary to recent reforms such as Automatic Mutual Recognition (AMR). Our submission outlines a refined model for progressing national licensing in high-mobility occupations while ensuring quality and industry confidence.

We urge the Commission to recommend a flexible national licensing framework that reflects the lessons of past reform efforts and supports Australia's dynamic workforce needs.

With respect to the potential harmonisation of International Standards, ACCI would caution against a blanket approach, as this may present a conflict with Australian legislative frameworks, create inconsistency in terminology, or confuse end users—especially where Standards are referenced within regulation. In addition, more robust processes are needed to ensure meaningful Australian participation and oversight in the development of International Standards by both governments and Standards setting bodies.

This submission outlines ACCI's Employment and Skills Committee's suggestions and provides the following recommendations:

Recommendation 1: Introduce Opt-In National Licensing for High-Mobility Occupation

Enable industries like construction and trades to adopt a national licence that allows workers to operate across jurisdictions without duplicative processes.

Recommendation 2: Maintain dual licensing pathways

Maintain the ability of businesses and individuals to choose between state-based licences and a national licence, depending on their operational needs.

Recommendation 3: Develop licensing standards through industry consultation.

¹ [Less rigid occupational licensing | We heard ideas on making Australia more productive and prosperous | Australia's Productivity Pitch | Engage - Productivity Commission](#)

Ensure licensing requirements are co-designed with relevant industry bodies to reflect real-world skills, risks, and regulatory needs.

Recommendation 4: Renew Automatic Mutual Recognition (AMR) Framework

Support consistent national implementation—while advancing tax reform, streamlining regulation, boosting apprenticeship uptake, and removing barriers to workplace innovation.

Recommendation 5: References to Standards within regulatory instruments

Where it is deemed appropriate to do so, Standards (including cross-references to additional Standards within a primary document) that are referenced within regulatory instruments should be easily accessible and available at no cost.

Recommendation 6: Harmonisation of International Standards

Oppose blanket harmonisation of International Standards as this would present an opportunity for conflict with Australian legislative frameworks. Identical adoption of trusted technical Standards should only be considered in specific circumstances and where any relevant regulatory conflicts have been addressed.

Recommendation 7: Memorandum of Understanding between The Commonwealth & Standards Australia

The Memorandum of Understanding between The Commonwealth and Standards Australia should be independently reviewed to ensure the government has appropriate oversight of Standards development processes and protocols.

Introduction

The Australian Chamber of Commerce and Industry (ACCI) welcomes the opportunity to contribute to the Productivity Commission's 2025 review of reforms under the National Competition Policy. This submission focuses on the history, performance, and future of **National Occupational Licensing (NOL)** as a model for achieving consistency, labour mobility, and regulatory efficiency in Australia's licensing framework. The submission also provides ACCI's position on the proposed harmonisation of International Standards within Australia

Occupational Licensing

Occupational licensing has significant implications for the competitiveness and productivity of Australia's labour market. The attempt to develop a national licensing system in the early 2010s—the National Occupational Licensing System (NOLS)—was a bold and necessary response to the entrenched fragmentation across state and territory licensing regimes². While the original model was ultimately discontinued, the rationale behind national harmonisation remains sound, particularly as labour mobility, workforce shortages, and regulatory simplification remain ongoing policy challenges. At its core, occupational licensing serves to protect the safety of consumers and the public, ensure a sufficient and reliable level of service quality, and provide a signal that an individual possesses the requisite training and skills to perform competently and safely within their occupation.

The case for National Licensing

In Australia, occupational licensing is primarily governed by states and territories, resulting in inconsistencies in licensing structures, qualification recognition, application procedures, and renewal requirements. These inconsistencies can hinder labour mobility, especially for individuals in highly mobile sectors such as construction, plumbing, and electrical trades.

The rationale for a **National Occupational Licensing System (NOLS)**, as developed under the 2009 Intergovernmental Agreement, was grounded in the following principles:

- **Labour Mobility:** Allowing licensed individuals to work seamlessly across jurisdictions without needing to reapply or pay multiple licensing fees.
- **Regulatory Consistency:** Reducing duplication and conflict between state-based requirements.
- **Economic Efficiency:** Lowering compliance costs and administrative burdens for businesses operating across multiple states.
- **Public Assurance:** Retaining high safety and competency standards through a nationally agreed framework.

The model, supported by the **Occupational Licensing National Law Act 2010**, proposed a single set of eligibility requirements for each occupation, with licensees entitled to practice across jurisdictions under a national license. This approach held particular promise in addressing skills shortages and improving the workforce's responsiveness to economic needs and emergencies (e.g., natural disasters, infrastructure projects).

Why NOLS Discontinued: Lessons Learnt

Despite its sound logic, the implementation of NOLS through the **National Occupational Licensing Authority (NOLA)**³ was ultimately abandoned in 2013. The discontinuation was due to a few operational and political challenges:

- **Lack of Jurisdictional Consensus:** States and territories could not agree on uniform national registration standards for each occupation.
- **Stakeholder Concerns:** Both employer and union groups expressed concern that harmonisation could result in a “lowest common denominator” approach to various issues.

² [Report: Effect of red tape on occupational licensing](#)

³ [Submission 17 - National Occupational Licensing Authority - Geographic Labour Mobility - Commissioned study](#)

- **Perceived Centralisation:** Some states resisted the loss of control over licensing standards and enforcement mechanisms tailored to their unique conditions.
- **Operational Complexity:** Developing a national agency and aligning legislative frameworks across eight jurisdictions proved administratively complex and politically contentious.

The failure of NOLS does not negate the value of national licensing as a policy objective—it simply highlights the need for a more pragmatic, staged, and industry-sensitive approach.

The Ongoing Need for National Licensing Solutions

The rationale behind NOLS remains as urgent today as it was a decade ago. Key drivers include:

- **Persistent Fragmentation:** There are over 180 occupational regulators across Australia and New Zealand, many with differing licence categories, standards, and processes.
- **Barriers to Mobility:** While the Automatic Mutual Recognition (AMR) regime has created new avenues for cross-border practice, it is still under implementation and has not been consistently applied across all sectors or jurisdictions.
- **Economic Need:** Labour shortages in licensed occupations—particularly in the skilled trades—underscore the need for faster, frictionless worker deployment across regions.
- **Regulatory Burden:** Businesses operating in multiple states face unnecessary costs and duplicative licensing obligations, particularly in high-compliance sectors such as building and construction.

Recent reforms, such as the introduction of AMR and federal support for streamlined licensing (e.g., for electricians), are encouraging, but do not yet amount to a comprehensive or enduring solution. A renewed approach to national licensing is warranted, based on the lessons of NOLS and adapted to current policy and industry contexts.

A Path Forward: Principles for a Future National Licensing Framework

Drawing on the experience of NOLS, ACCI proposes a refined and flexible national licensing agenda built on the following principles:

1. Opt-In National Licensing for Mobile Occupations

Rather than mandating uniformity across all jurisdictions, industries should be allowed to opt into national licensing where there is demonstrated benefit, such as for tradespeople and professionals working interstate. This approach respects state autonomy while creating scalable, practical pathways to consistency. For industries with existing licensing arrangements, this model can offer greater efficiency and mobility. However, for industries that have not previously been subject to licensing, it is important to assess whether there is a genuine demonstrated need before introducing new requirements. Unnecessary licensing in such sectors could inadvertently restrict entry, exacerbate skill shortages⁴, and limit workforce flexibility.

2. Dual Licensing Pathways

Maintain existing state-based licensing while offering national licences as an overlay for those who require interstate mobility. This model mirrors successful approaches in vocational education (e.g., dual VET regulators) and allows gradual alignment without coercion.

Colleagues in Western Australia have noted that while the model holds promise, the **cost of dual licensing may present a barrier to adoption**. We welcome further insights from jurisdictions such as VIC and WA on the enablers and limitations of this model, particularly regarding administrative burden, resourcing, and practical implementation.

3. Industry-Led Standards Development

Licensing frameworks must be developed with the active participation of industry bodies, regulators, and education providers to ensure that standards are practical, credible, and nationally applicable without diluting quality or safety. It is important to recognise that existing regulatory standards vary across jurisdictions – the goal should not be to raise or lower all standards indiscriminately just to achieve uniformity, but to carefully assess, case-by-case, the best form of standards that might form the basis of a national standard on a particular subject. As noted by the ARA, this co-design process is essential in ensuring that national licensing supports both consistency and integrity.

4. National Licence Registry

Develop and maintain a central national platform detailing licence equivalency, eligibility criteria, and mutual recognition arrangements. This will enhance transparency, enabling workers and businesses to navigate the licensing landscape more easily.

⁴ [Business Council welcomes occupational licensing arrangements reform - Business Council of Australia](#)

5. **Clarity of Scope**

6. Ensure any new national licensing scheme is clearly defined in terms of scope of practice, risk profile, and minimum competency requirements to prevent overlap or duplication with state regulations.

7. **Evidence-Based Licensing Decisions**

Require a formal regulatory impact assessment before establishing new licensing regimes, including a clear demonstration of risk to public safety that cannot be addressed through alternative means (e.g., insurance, codes of conduct).

8. **Renewed Approach to AMR and Broader Reforms**

A modernised approach to Automatic Mutual Recognition (AMR) is essential to enhancing labour mobility and regulatory consistency. The Federal Government should prioritise Queensland's participation in the scheme before 2032, harmonise terminology across jurisdictions to support ease of navigation, and allocate appropriate funding and timelines for national implementation. AMR should also be more closely aligned with the Trans-Tasman Mutual Recognition Arrangement (TTMRA), including the development of standardised disclosure documents for overseas-trained workers.

More broadly, the Government should pursue complementary reforms to improve competition and workforce development—streamlining approval processes through automation, commissioning a new Future Tax System Review to explore both federal and state tax reform, supporting business investment and apprentice uptake through targeted incentives, and addressing industrial relations barriers that may inhibit innovation and flexibility.

International Standards

In addition, ACCI makes the following broad comments, and related recommendations as noted herein, with respect to Australian Standards ('AS') and the potential harmonisation of International Standards ('ISOs').

Incorporation of Standards within regulatory instruments

As noted within the consultation paper, governments are increasingly incorporating AS into legislation, regulatory instruments and Codes. This is intended to provide additional guidance on how a duty may be discharged, or to provide technical guidance around specific regulatory obligations.

While ACCI supports the development of technical standards where appropriate, our broader view is that Standards, whether AS or ISOs, should not be developed for policy, managerial, performance or commercial issues.

Further, ACCI has long held the view that AS should not be referenced within legislation, or any other legislative instruments, such as Model Safety Codes of Practice unless there is a cogent reason to do so. While, if enacted under State/Territory legislation, approved Codes of Practice are not law, they are

admissible in court proceedings.⁵ The same principle applies to other regulatory instruments such as the National Construction Code.⁶

Many Safety Codes of Practice and other legislative instruments within Australia currently reference multiple external documents, such as AS, which inhibits their utility as:

- These documents may not be readily available or kept updated;
- An employer may be required to obtain copies of ancillary material to achieve compliance with the referenced Standard; and
- Mandating compliance with other external documents, such as AS, imposes an unreasonable (and significant) cost and administrative burden upon businesses.

It is therefore unreasonable to expect businesses to purchase the range of AS called up in numerous documents, especially given the high volume of cross-referencing between Standards, to ensure compliance with a relevant law or legislative instrument.

Harmonisation of International Standards

While there would appear to be some efficiencies to be gained from the identical adoption of ISOs in Australia, ACCI would caution against a blanket approach to the potential harmonisation of AS with ISOs. AS noted herein, such an approach has the potential to conflict with relevant Australian legislative arrangements (e.g., by using inconsistent nomenclature) and create confusion for users of any proposed Standard at the local level. This could also result in inadvertent non-compliance where Standards have been called up in Regulation.

Further, ISOs are often complex in nature and only applicable to large scale organisations and structures. They are therefore more difficult to apply to less sophisticated organisations, such as SMEs, and are often complex and extremely detailed, thereby imposing onerous compliance burdens on many businesses.

While ACCI does not believe AS should be developed for policy or performance issues, providing the right protocols are in place, we would not oppose consideration of the harmonisation of trusted comparable technical ISOs (on a case-by-case basis), but only in circumstances where it is necessary to do so.

Further, more robust arrangements need to be put in place with respect to Australia's participation in, and oversight of, the development of ISOs, both from the perspective of governments and local Standards setting bodies. This is particularly important as Standards Australia has implemented a policy to adopt ISOs, in identical form with minimal amendments, where there is a demonstrated need to do so.⁷

There are also complex intellectual property issues dictated by the International Organization for Standardization, which limit a technical committee's capacity to make necessary and workable modifications for the Australian Market. For example, if an ISO is to be modified, this can only occur by virtue of changes within an annexure to the relevant ISO.⁸ This results in unwieldy and complex documents that are often difficult to interpret and apply within an Australian context.

⁵ [Codes of Practice | Safe Work Australia](#)

⁶ [See for example - Waterproofing standards in the NCC](#)

⁷ [Ref section 13.1 - SG 015 Australian Involvement in International Standardisation](#)

⁸ [Ref. Appendix E - Section E.4 - SG 006 Rules for the Structure and Drafting of Australian Standards](#)

If the government were to consider adopting a more harmonised scheme, there would need to be flexibilities afforded to adoptive nations, with respect to formatting and the extent to which Standards can be modified for Australian purposes.

Finally, the memorandum of understanding between the Commonwealth and Standards Australia should be reviewed to ensure that the government has appropriate oversight of Standards development processes and protocols both in Australia and at the international level.⁹

⁹ [Memorandum of Understanding between The Commonwealth of Australia and Standards Australia Limited - 13th November 2018](#)

Conclusion

The discontinuation of the National Occupational Licensing System in 2013 reflected political and operational challenges rather than a rejection of the underlying need for reform. Australia's economy faces significant structural barriers due to fragmented and inconsistent occupational licensing. While AMR has made progress in alleviating some of these issues, it does not replace the need for a coordinated national approach.

ACCI strongly supports the Commission's efforts to revisit this issue and encourages the development of a flexible, industry-supported national licensing framework that builds on the foundations of past work while avoiding the pitfalls of overly centralised models. 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.

Finally, while on its face there are benefits to harmonisation across international borders, there are extensive limitations associated with the existing Standards development and adoption framework, which would need to be addressed.

We thank the Commission for its leadership on this critical issue and would be pleased to provide further evidence or participate in consultations as needed.

Next Steps

ACCI is engaging with members and stakeholders to gather additional input on occupational licensing and broader regulatory reform. We see this inquiry as a valuable opportunity to assess the effectiveness of licensing frameworks and their alignment with Australia's economic and workforce goals. We appreciate the Commission's work and look forward to contributing further as the consultation progresses.

For further information or to discuss the submission on occupational licensing reform, please contact Dr Jodie Trembath, Director of Skills, Employment and Small Business,

In addition, if you require further information on ACCI's position with respect to the potential harmonisation of International Standards contact – Rebecca Sostarkos.

About ACCI

The Australian Chamber of Commerce and Industry represents hundreds of thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people.

ACCI strives to make Australia the best place in the world to do business – so that Australians have the jobs, living standards and opportunities to which they aspire.

We seek to create an environment in which businesspeople, employees and independent contractors can achieve their potential as part of a dynamic private sector. We encourage entrepreneurship and innovation to achieve prosperity, economic growth, and jobs.

We focus on issues that impact on business, including economics, trade, workplace relations, work health and safety, and employment, education, and training.

We advocate for Australian business in public debate and to policy decision-makers, including ministers, shadow ministers, other members of parliament, ministerial policy advisors, public servants, regulators and other national agencies. We represent Australian business in international forums.

We represent the broad interests of the private sector rather than individual clients or a narrow sectional interest.

ACCI Members

State and Territory Chambers



Industry Associations



