



National Competition Policy Analysis 2025 Study
Productivity Commission
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To whom it may concern

Thank you for the opportunity to provide a submission to the Productivity Commission's *National Competition Policy Analysis 2025* consultation paper. The NSW Small Business Commissioner (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution services across NSW.

The NSW Small Business Commission welcomes the Productivity Commission's study, which will inform the development of future reforms, particularly exploring options such as a national occupational licensing scheme for selected occupations to enhance labour mobility and efforts to harmonise Australian standards with international standards.

Small businesses often experience barriers to entry or business growth, which can lead to less competitive markets and poorer outcomes for consumers. The Commission encourages consideration of how these barriers, including those associated with increasingly complex government regulation and requirements, might be addressed as part of a revitalised national competition policy agenda.

National licensing scheme for selected occupations

Many small businesses operate across state borders or provide services to clients in multiple jurisdictions. However, inconsistent and fragmented licensing frameworks impose unnecessary barriers on businesses seeking to grow, adapt, or respond flexibly to workforce needs.

Occupations best suited to a national licensing scheme

The Productivity Commission is exploring occupational licensing reform to support a more mobile and responsive workforce. While the current focus is on skilled electrical trades, the case for reform extends to other high-skill, safety-critical construction roles. Fragmented state-based systems for trades like electrical, plumbing, and gas fitting result in duplicated fees, retraining requirements and delays in deploying workers across borders. The burden of these inefficiencies disproportionately falls on small businesses, with acute consequences during emergencies that demand rapid mobilisation of personnel.

Extending nationally consistent licensing to lower-risk occupations could ease workforce mobility and improve service delivery, particularly for roles such as:

- ***Security personnel and crowd controllers:*** Industry feedback highlights widespread workforce shortages, inconsistent training standards and administrative complexity in current licensing systems. Small businesses in the hospitality sector report challenges in meeting mandated security requirements due to delays in processing, costly and time-consuming training and lack of

mutual recognition across jurisdictions. A national licensing scheme would reduce barriers to entry, improve mobility and help address persistent skills shortages in this sector.

- *Onsite residential property managers:* Major real estate industry reforms in 2020 led to the consolidation of licence categories in NSW, introducing new requirements for onsite residential property managers. Feedback to the Commission indicates that these requirements constitute a barrier to entry, thus impacting the ability of existing businesses to transfer ownership to new entrants. A national licensing scheme would help level the playing field across jurisdictions without compromising consumer protections.¹

The Commission supports national licensing as a way to cut red tape, boost productivity and improve competitiveness. Modelling by the Productivity Commission estimates that occupational licensing reform could lift economic output by up to \$10.3 billion.² A national framework would also harmonise qualifications, clarify scopes of practice, align professional development requirements and simplify compliance. This would lead to the delivery of a fairer, safer and more efficient system for workers and businesses alike.

Barriers to a national licensing scheme

The Commission acknowledges the challenges that have hampered previous national harmonisation efforts, such as the National Occupational Licensing Scheme, including jurisdictional resistance and differing policy objectives.

A relevant parallel can be found in the attempt to introduce a standardised national disclosure statements for retail leasing legislation across the states and territories in Australia. Despite initial endorsement by several jurisdictions, this effort ultimately collapsed. Although New South Wales, Queensland and Victoria implemented a model disclosure statement in 2011, legislative and administrative differences prevented broader national adoption, and the working group responsible was disbanded. The experience demonstrates that even when technical agreement exists, sustained coordination can falter without compatible regulatory frameworks and a shared commitment to long-term implementation.³

In the case of retail leasing, a key challenge was that jurisdictions did not share the same underlying policy objectives. For example, NSW's retail leasing legislation focuses on balancing the rights and responsibilities of landlords and tenants, whereas other jurisdictions adopted more protection-oriented models. This divergence in regulatory intent made it difficult to align even standardised forms like disclosure statements.⁴

Any renewed attempt at a national licensing scheme would benefit from a careful mapping of jurisdictional differences, not only in rules, but in regulatory approaches. Without this foundational alignment, efforts risk being stalled by policy divergence. Furthermore, a targeted national licensing scheme, focused on priority occupations characterised by national demand, portable skills and public safety risks, is likely to deliver the greatest impact.

¹ NSW Small Business Commission (2023), [Submission to the NSW Productivity Commission's Discussion Paper on New Thinking on Continuing Professional Development](#)

² Commonwealth Treasury (2025), media release, [National licensing for electrical trades](#)

³ NSW Small Business Commission (2023), [Review of the Retail Leases Act 1994](#), p.55

⁴ NSW Small Business Commission (2023), [Review of the Retail Leases Act 1994](#), p.22-23

Harnessing data and digital technology

Digital technology offers a powerful lever to improve the efficiency and transparency of occupational licensing. A centralised digital licence verification portal designed to be low-cost, mobile-friendly and accessible would enable employers to quickly verify worker credentials and compliance in real time, streamlining onboarding and improving responsiveness to fluctuating demand. Transition support, including automatic recognition of existing state-based licences, would help ensure current workers are not disadvantaged in the shift to a national system.

Past reforms show the potential benefits from these initiatives. COVID-era regulatory digitisation could deliver over \$3.1 billion in net benefits to NSW over a decade⁵, while digitising strata scheme processes is projected to save \$214 million.⁶ These examples highlight how digital licensing can drive economic gains and improve usability for small businesses.

Harmonisation with international standards

Australian small businesses often face additional costs and market barriers when local standards diverge from international standards. These inconsistencies may require businesses to redesign, retest or repackage goods specifically for the Australian market. For sectors integrated into global supply chains or with export potential, this can limit the ability of small businesses to scale, delay the uptake of new technologies and reduce consumer choice.⁷ Small businesses, in particular, have fewer resources to navigate these additional compliance burdens, which can impact their competitiveness both domestically and internationally.

Duplication and misalignment with international standards

The Commission supports the Australian Competition and Consumer Commission's (ACCC) ongoing work to improve the product safety standards framework under the Australian Consumer Law, including its efforts to reduce duplication and compliance burdens by recognising appropriate overseas standards.⁸

However, feedback to the Commission indicates that small manufacturers and importers continue to face significant challenges when navigating complex and costly approval processes for products already certified in other jurisdictions.

For example, Australian medical equipment manufacturing stakeholders reported that manufacturing medical cleaning products locally is not commercially viable due to the expense and time required to obtain new approvals from the Therapeutic Goods Administration (TGA), even when the product is identical to one already approved overseas. This type of duplication may act as a deterrent to local innovation and undermine Australia's competitiveness as a location for manufacturing in the health sector.

Similar issues exist in the construction sector. Prefabricated and modular housing presents a clear and compelling case for greater harmonisation with international standards and related conformity assessments. Modular construction has the potential to significantly reduce build times, with estimates

⁵ NSW Productivity Commission (2022), [Lessons from COVID-19 Regulatory Relaxations](#)

⁶ NSW Productivity and Equality Commission (2025), [Smarter regulation through experiments](#)

⁷ Commonwealth Treasury (2024), [Decision regulation impact statement. Supporting business through improvements to mandatory standards regulation under the Australian Consumer Law](#)

⁸ Australian Competition and Consumer Commission (ACCC), webpage [Improvements to mandatory product safety standards](#)

suggesting up to 20 per cent faster delivery, and time savings expected to increase further over time.⁹ However, industry stakeholders are concerned by regulatory barriers in design rules, approvals processes and financing arrangements that hinder uptake. Despite importing prefabricated components that already comply with rigorous international standards (such as ISO or EN), these products are often subject to additional or duplicative conformity assessments domestically. This adds to the cost and complexity for small and medium-sized manufacturers and builders.

Greater recognition of overseas assessments, where appropriate, would support productivity and innovation in this growing sector, in addition to supporting ambitious housing targets. The NSW Building Commissioner is currently reviewing uniform standards for offsite construction, presenting an opportunity to align Australian regulations with international benchmarks, thereby accelerating uptake and reducing compliance burdens.

Cost and access to mandated Australian standards

The Commission recently published a report, "[Rightsizing regulation](#)", which highlighted significant concerns from small businesses about the burden of regulation, often due to duplicative or overlapping regulatory requirements across all three levels of government.¹⁰ This complexity contributes to confusion, inefficiency, and unintentional non-compliance, underscoring the need for coordinated reform to reduce duplication and improve clarity.

Small businesses consistently raise concerns about the affordability and accessibility of Australian standards, particularly when those standards are mandated. Access is often restricted through a private licensing model, with costs ranging from \$100 to over \$500 per standard¹¹ and frequent updates requiring ongoing purchases. For small businesses with tight margins, these costs quickly become unsustainable, especially when multiple standards are required for a single job or tender. Feedback from a small electrical engineering business indicated needing to purchase hundreds of standards for a single infrastructure project, at a cost that exceeded the project's profit margin¹². In practice, this creates a significant barrier to entry and some businesses may unintentionally operate without full visibility of their compliance obligations.

While many jurisdictions also charge for standards (such as the US with ANSI standards or EU with EN standards), some countries like New Zealand have made certain safety-related standards freely available in the public interest¹³. The Commission welcomes the Australian Government's engagement with Standards Australia to explore further options to improve affordability and access for businesses.

Support measures to international standards incorporated in Australia regulation

To help small businesses benefit from the adoption of international standards in Australian regulation, a range of supportive measures can be considered. Small businesses often face challenges in participating in standards development or managing the costs of compliance, particularly when navigating international markets. Increasing small business representation in standards-setting processes may help ensure their practical needs are considered from the outset.

⁹ NSW Government (2024), Ministerial media release [Modular homes to deliver more social housing, sooner](#)

¹⁰ NSW Small Business Commission (2025), [Rightsizing regulation - Review of small business experiences with regulatory policymaking processes](#), p. 11

¹¹ Lexi Webster (6 May 2025), '[Australian Standards: Why Paywall Essential Safety Information?](#)' *Shun Culture*, accessed 5 June 2026

¹² Parliament of Australia (2022), [Petition EN4101 - Free or affordable access to Australian Standards](#)

¹³ New Zealand Ministry of Business, Innovation and Employment (2019), [Free building standards now available](#)

Ensuring the availability of regulated standards, either through a government platform or cost-sharing arrangements via industry associations, would help reduce one of the key financial barriers. Plain-English guidance, especially for culturally and linguistically diverse (CALD) business owners, would further support small operators in understanding and meeting regulatory obligations. These types of measures can help ensure that harmonisation efforts are inclusive and practical for businesses of all sizes.

Thank you for the opportunity to make a submission. If you require further information, please contact my Executive Officer Megan Bennett, at either commission@smallbusiness.nsw.gov.au or (02) 9372 8767.

Yours sincerely

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