



TOWARDS A MORE SEAMLESS AUSTRALIAN ECONOMY

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**TOWARDS A MORE
SEAMLESS AUSTRALIAN
ECONOMY**

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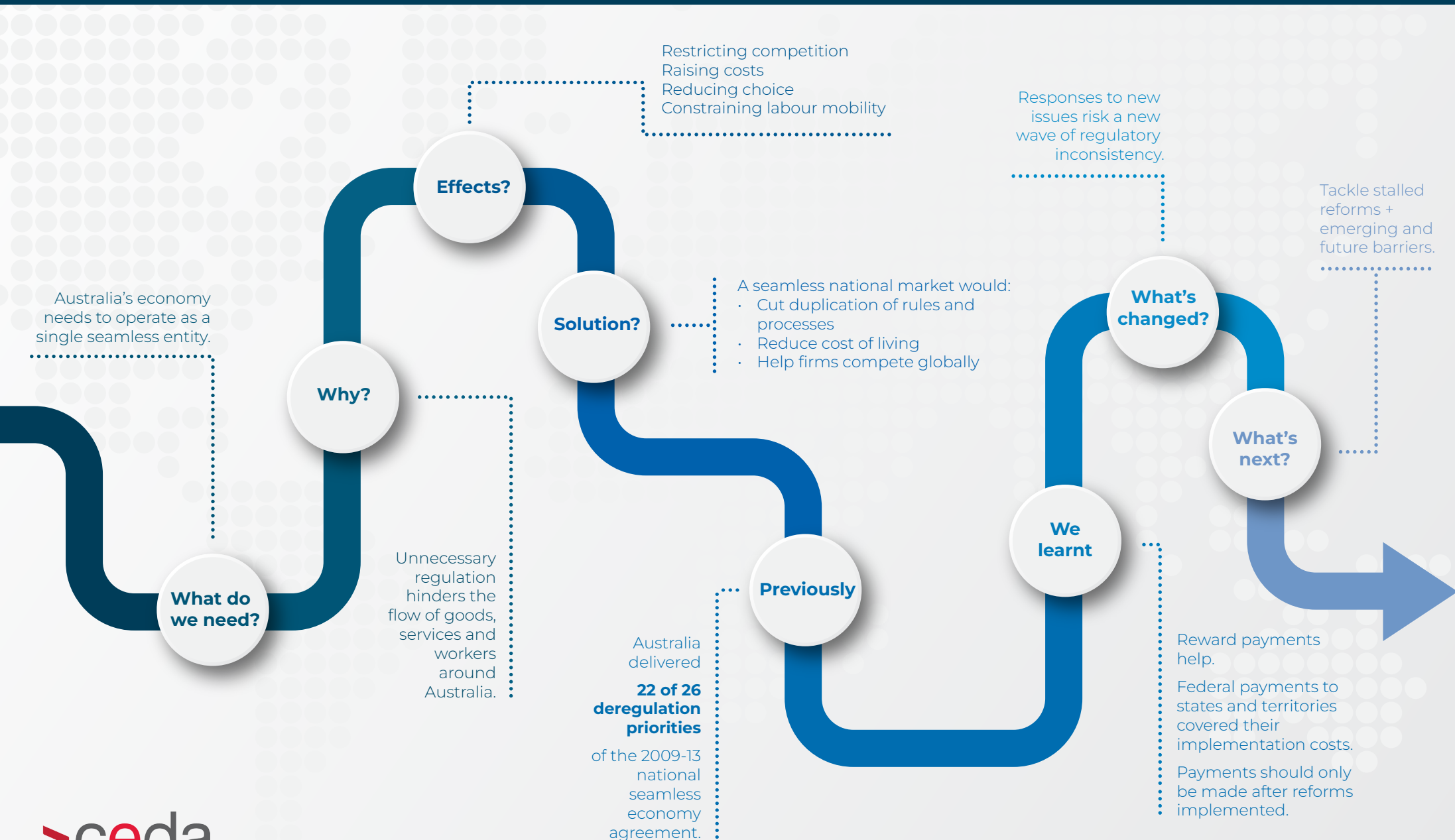
Towards a more seamless Australian economy makes the case for a sustained commitment to better regulation and harmonisation across Australia. It recommends a new seamless national economy agreement between the Federal Government and states and territories, identifying priority areas for reform and key steps to ensure success. This report contributes to the productivity, investment and innovation focus area of CEDA's Progress 2050 vision for a better future for the next generation of Australians.



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TOWARDS A MORE SEAMLESS AUSTRALIAN ECONOMY



THE NEXT STEPS IN STREAMLINING AUSTRALIA'S ECONOMY

NATIONAL
OCCUPATIONAL
LICENSING



ENVIRONMENTAL
ASSESSMENTS



PAYROLL
TAX



HEAVY VEHICLE
TRANSPORT
POLICY



DATA
SHARING BY
DEFAULT



LAND-USE
PLANNING
REGULATION



CIRCULAR
NATIONAL
ECONOMY



BEST PRACTICE
GOVERNMENT
PROCUREMENT



CARE
WORKER
SCREENING



REIGNITING
STALLED
REFORMS



NEW
REFORMS
NEEDED

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EXECUTIVE SUMMARY

The Australian economy is facing major headwinds. Productivity growth – the key long-term driver of improved living standards – has slowed, measures of global trade uncertainty are at record highs, Australia is struggling to build enough homes to meet its housing shortage and the energy transition is proceeding too slowly.

To navigate these challenges, Australia's economy needs to operate as a single seamless entity.

A well-functioning federation allows tailoring of policy to local conditions. It also enables innovation through learning from different approaches. Yet for too long, unnecessary regulatory barriers have hindered the flow of goods, services and workers around Australia.

Take the different widths of railway lines laid across the country in the 1800s. This was flagged as a problem before Federation, but took a century and a major Commonwealth-State investment project to resolve.

While they may not always be so obvious, frictions that prevent firms from operating seamlessly across Australia restrict competition, raise costs, reduce choice and constrain labour mobility. Anything that creates such friction without adding value holds back economic dynamism and productivity.

A single, seamless national market would cut duplication of regulation and processes, reducing the cost of living and helping firms compete internationally. Reducing barriers to people moving to better jobs can also boost productivity by better matching skills to jobs. To enable this, reform must occur across many sectors and activities.

Australia has worked across levels of government to develop nationally consistent policy in the past and can do so again. In this report we focus on the lessons learned from the *National Partnership Agreement to Deliver a Seamless National Economy* in effect between 2009 and 2013. These reforms were estimated to deliver over \$6 billion in annual benefits to the economy. Unfinished reforms offer a similar magnitude of benefits.

Yet a new seamless economy agenda is about much more than just completing unfinished business. The economy has changed considerably in the past 15 years. The care sector accounts for a growing share of employment. In an increasingly inter-dependent, digital and service-based economy, constraints on operating and sharing data across borders have become even more damaging. Better data-sharing alone could boost Australia's economy by up to \$10 billion.

Meanwhile, responses to new issues, such as electric vehicles, gig work and container recycling schemes, risk a new wave of regulatory inconsistency.

Internationally, Canada has already taken action, striking agreements to increase domestic integration in response to US tariffs.¹ It is a federation like Australia, but with much larger barriers to inter-jurisdictional trade.

We may no longer be laying down incompatible rail lines, but inconsistencies in how we regulate today's new technologies may eventually be seen in the same light. Australia should smooth the frictions in its economy to ensure it can navigate the challenges ahead.

RECOMMENDATION

Deliver a new seamless national economy agreement between the Commonwealth and states and territories, building on the 2024 agreement to revitalise National Competition Policy. Payments to states and territories should occur after reforms are implemented.

Starting points should include:

- National occupation licensing
- Harmonised and efficient environmental assessments
- Payroll tax harmonisation
- More consistent heavy vehicle access and design rules
- Data sharing across jurisdictions by default
- More streamlined and consistent land-use planning regulation
- Consistent materials standards and registration processes to enable a more circular national economy
- Reforms to state and local government procurement to get the best offers in Australia
- Delivery of national care worker screening.

THE ORIGINAL SEAMLESS NATIONAL ECONOMY AGENDA

The *National Partnership Agreement to Deliver a Seamless National Economy* between the Commonwealth Government and the states and territories was in effect between February 2009 and June 2013. The agreement contained 27 deregulation priorities and eight priority areas for competition reform.

It sought to reduce the level of unnecessary and inconsistent regulation across jurisdictions, deliver agreed deregulation and competition reforms, and improve processes for making and reviewing regulation. It delivered considerable benefits to the economy.

The agreement came after a hiatus in market reforms through the early part of this century, following the drive towards a single national market that had started with the 1993 Hilmer inquiry into a national competition policy (Figure 1).

Considerable progress was made on 22 of the 27 deregulation priorities, including important reforms to deliver a single Australian Consumer Law, the National Construction Code, a national consumer credit regulation framework and a single national personal property securities register (Table 1).

Figure 1 Efforts to streamline regulation have waxed and waned

1993	Hilmer review Recommended implementation of a national competition policy, acknowledging that Australia needs to be a single integrated market.
1995	National competition policy Extended trade practices laws to prohibit anti-competitive actives and introduced unified national standards.
2000	Microeconomic reforms GST introduced, following a decade of microeconomic reform to electricity, telecommunications and other markets.
2004	National water initiative All states and territories agreed to a framework and principles for managing water sustainably.
2009	Seamless national economy Created consistent national regulation across more than 20 priority areas.
2015	Harper competition policy review Renewed agenda for competition policy, recognising the disruption from new technologies and increasing importance of human services.
2024	Revitalised national competition policy To maintain and promote consistent and complementary competition policies and laws for a more seamless and competitive economy.

Source: Adapted from Mandala Partners, *The Next Steps Towards a Seamless National Economy*, Presentation for CEDA Council on Economic Policy, March 2025

Table 1 Progress on the 27 deregulation priorities

Deregulation priorities	Progress	Estimated annual benefits (if fully implemented)
Occupational Health and Safety	Several states such as Victoria still have their own occupational health and safety laws.	\$480 million
Environmental assessment	Partial progress. Full delegation of approval powers did not occur and approval agreements stalled.	Tens or hundreds of millions of dollars ²
Payroll tax	Harmonisation Joint Protocol signed in 2010.	\$30 million
National trade licensing system	COAG agreed to establish National Occupational Licensing System (NOLS). This was abandoned in 2013.	Up to \$846 million ³
Health workforce	Single national registration and accreditation system for health professionals since 2010.	\$160 million
Trade measurement	Single National Trade Measurement system started on 1 July 2010.	\$5 million
Rail safety	Establishment of National Rail Safety Regulator and unified national rail safety law.	\$16 million
Consumer law	From 1 January 2011 the Australian Consumer Law replaced provisions set out in 20 previous statutes.	\$880 million
Product safety	Part of establishment of Australian Consumer Law.	Part of 'Consumer Law'
Trustee corporations	Reforms completed.	\$4 million
National consumer credit (Mortgage broking, margin lending, non-deposit lending and 'other')	Establishment of national consumer credit regulation framework. State and territory powers referred to the Commonwealth.	\$45 million
Development assessment	Streamlining approvals processes largely completed.	\$225 million
Construction code	National Construction Code in 2011 brought together Building Code of Australia and Plumbing Code of Australia, but fragmentation remains.	\$1 050 million

Deregulation priorities	Progress	Estimated annual benefits (if fully implemented)
Chemicals and plastics	PC inquiry undertaken, but only 3 of 30 recommendations implemented three years after completion.	Limited quantitative evidence of costs ⁴
Business names	Completed.	\$62.5 million ⁵
Personal property securities	Personal Property Securities Act 2009 established unified national system to register and manage personal property securities.	\$70 million
Business reporting	Standard Business Reporting launched in 2010.	\$60 million
Food	Central interpretive advice service established, changes to voting arrangements and review of food labelling policy and law.	\$1 million
Mine safety	National Mine Safety Framework developed. Full implementation stalled by occupational health and safety harmonisation. National Mine Safety Database not feasible.	n/a
Electronic conveyancing	Electronic conveyancing national law introduced and implementation of PEXA.	\$89 million ⁶
Oil & gas	Establishment of national bodies following PC inquiry.	Potentially billions of dollars each year ⁷
Maritime safety	Delivery of Intergovernmental Agreement on Commercial Vessel Safety Reform, Australian Maritime Safety Authority and Navigation Act 2012.	\$103 million ⁸
Wine labelling	National Trade Measurement Regulations 2009 provided uniform framework for wine labelling.	\$29 million
Directors' liability	Personal Liability for Corporate Fault Reform Act 2012 passed. States and territories have introduced nationally consistent directors' liability laws, albeit some passed after the agreement ended.	n/a

Note: Green shading – reforms largely completed. Orange shading – partial progress made. n/a: Quantitative estimates not available. Except where noted, benefits of reform from PC (2012).

Sources: COAG Reform Council (2013) *Seamless National Economy: Final Report on Performance, Report to the Council of Australian Governments*; Bradbury, D. (2012) 'Benefits and outcomes of the seamless national economic agenda', Regulatory reform conference, 27 September; Payroll Tax Australia (2022), 2010 Harmonisation Joint Protocol; Australian Food and Grocery Council (2011), *Submission to Senate Select Committee on Australia's Food Processing Sector*; PC (2012), *Impacts of COAG Reforms: Business Regulation and VET, Research Report*; ACCORD (2011) *Submission: Regulatory Reforms Study*; Department of Industry, Science and Resources, *National Mine Safety Framework: Implementation Report*; Samuel, G. (2020), *Independent Review of the EPBC Act – Final Report*, Department of Agriculture, Water and the Environment.

These reforms had substantial payoffs for relatively little cost. The Productivity Commission (PC) estimated that the deregulation priorities could cut costs for businesses by \$4 billion per year and boost GDP by \$6 billion per year.⁹ This was based on full implementation of 17 of the 27 reforms where the policy process was either complete or largely complete as of 2012.

Further progress on reforms to maritime safety, electronic conveyancing and business names delivered additional benefits of around \$250 million per year.

Less progress was made on the eight priority areas for competition reform (Table 2). This was in part due to their complex and challenging nature,

but also due to a lack of government commitment after the Global Financial Crisis.

Overall, the first quarter of this century has seen a lack of commitment to pro-competition policies and a nationally open market. This has coincided with, and contributed to, the collapse in productivity growth in Australia.

A small set of initiatives were put forward late last year under the revitalised National Competition Policy, which provides a framework to promote consistent competition policies. We can build on this framework to achieve a more seamless and competitive economy.

Table 2 Progress on the eight competition priorities

Priority areas for competition reform	Progress	Estimated annual benefits (if fully implemented)
Rationalisation of occupational licences	Licensing removed for eight occupations only subject to licensing in one or two jurisdictions. Further action deferred until after commencement of the National Licensing System, which did not occur (see deregulation priorities).	\$5 to \$10 billion from rationalisation and national consistency ¹⁰
Reforms to infrastructure access (changes to the national access regime)	Progress on measures to establish “a simpler and consistent national approach to economic regulation of significant infrastructure”.	n/a
Review of Australia's anti-dumping and countervailing system	PC inquiry completed in 2010. Several recommendations (e.g. the key recommendation on a public interest test and automatic annual review) not accepted by Government.	n/a
Review of parallel importation of books	2009 PC Inquiry recommended ban on parallel imports removed. Government did not implement. A later attempt as part of broader competition reforms dropped in 2016.	\$25 million
Transport policy (uniform regulation of heavy vehicles/safety laws, urban congestion)	National Heavy Vehicle Law enacted, leading to the National Heavy Vehicle Regulator (except WA and NT). Much inconsistency remains, with unnecessary carve-outs.	Initial estimate of \$12.4 billion found to be overly optimistic ¹¹
Implement previously agreed reforms in energy, transport and infrastructure (three priority areas)	Reforms dealing with energy pricing and road regulation were designated to be “off track”.	n/a

Note: Green shading – reforms largely completed. Orange shading – partial progress made. n/a: Quantitative estimates not available.

Sources: COAG Reform Council (2013) *Seamless National Economy: Final Report on Performance*, Report to the Council of Australian Governments; COAG Reform Council (2012) *Seamless National Economy: Report on Performance 2011-12*, Report to the Council of Australian Governments; Banks (2012), *Advancing the Reform Agenda: Selected Speeches*, Productivity Commission; McClintock, P. (2012), *COAG Reforms will Improve Australia's Productivity*, CEDA news; Productivity Commission (2020), *National Transport Regulatory Reform, Inquiry Report*.

KEY STEPS TO ENSURE SUCCESS

Lessons we can take from the original seamless economy reforms to ensure a new agenda is similarly successful include:

- **Central government departments responsible for driving reform:** The agreement was led by the Prime Minister, premiers and chief ministers and their departments, giving the reforms support from the top levels of government.
- **States and territories should be paid to implement the priorities:** Federal funding of \$550 million for states and territories over five years was critical to success. Compared with the multi-billion-dollar benefits of the reforms, it was a relatively small spend. The payments helped by covering immediate implementation costs, which can otherwise be a barrier where the longer-term fiscal benefits flow primarily to the Commonwealth. Payments also helped to boost the case for reform, as ministers choosing not to proceed could be asked to find equivalent cost savings elsewhere in their portfolio. There were no payments for the competition reforms, contributing to a lack of progress on these reforms. In total, governments completed 21 of 26 reforms with reward payments attached, but just 10 of 19 reforms without payments.¹²
- **Implementation should be independently assessed and verified:** The COAG Reform Council played a critical role in assessing progress on reform. Payments to states and territories were linked to these assessments. The exception was Victoria, which was not penalised for failing to fully implement all reforms because the Commonwealth transferred \$55.1 million in payments to Victorian Local Hospital Networks in 2012-13.¹³ Payment should only be made after states and territories implement reforms.
- **First develop the evidence base and case for change:** The long list of deregulation and competition reforms under the seamless economy agenda drew from research over many years from bodies such as the PC. Conversely, for some topics such as chemicals and plastics regulation, anti-dumping and parallel importation of books, reviews were commissioned but many key recommendations were not implemented before the agreement concluded in 2013.

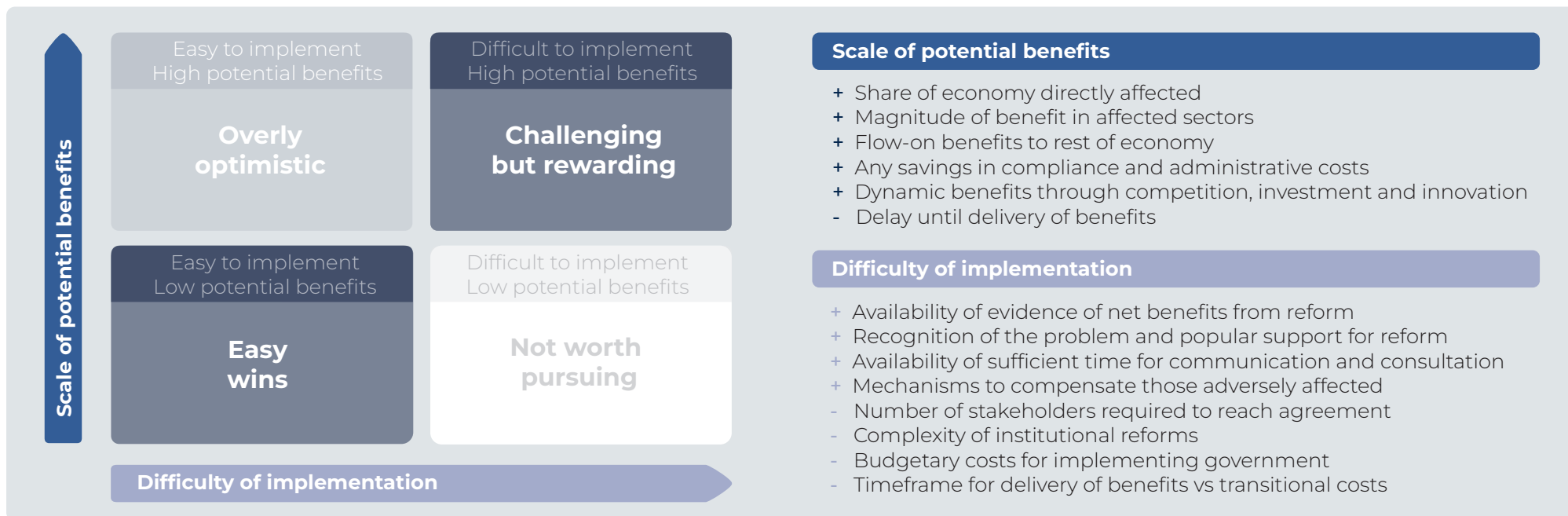
PRIORITIES FOR A NEW ROUND OF REFORM

The 2024 National Competition Policy agreement provides a framework to advance reforms to deliver a single national economy. The priorities we have identified are based on the scale of potential benefits as well as the difficulty of implementation of each change (Figure 2).

Using this approach, two of five unfinished seamless national economy deregulation reforms on occupational licensing and environmental assessment merit a renewed effort, and further payroll tax reforms are also needed. Some other partially implemented reforms – such as changes to the anti-dumping system – could be progressed by the Federal Government alone.

Other areas where collaboration is critical, such as health and energy, are better pursued through industry-specific forums such as the Health Ministers Meeting, National Energy Transformation Partnership and the Energy and Climate Change Ministerial Council. Including energy reforms in the original seamless economy agenda did not help advance progress by the COAG Energy Council and other energy-specific bodies. Reform to improve harmonisation, for example in licensing, environmental assessments and data sharing, can nonetheless play an important complementary role to sector-specific initiatives.

Figure 2 Easy wins and rewarding reforms should be prioritised



Source: CEDA framework based on Productivity Commission, *National Competition Policy: Modelling Proposed Reforms, Study Report*; IMF (2024), 'Chapter 3: Understanding the Social Acceptability of Structural Reforms'; World Economic Outlook; Wilkie, J. and Grant, A. (2009), 'The Importance of Evidence for Successful Economic Reform', *Economic Roundup*; and Ball, J. (2023), 'To Boost Australia's Productivity, Pay the States to Drive Reform', *CEDA Opinion Article*.

NATIONAL OCCUPATIONAL LICENSING



Occupational licensing is specific training or work experience needed in jobs such as nursing and plumbing, which can be important to protect safety. Different regimes across the country prevent Australians from moving to similar jobs elsewhere, constraining worker mobility and productivity without necessarily improving safety.

National licensing has worked for nurses and pilots. Yet many other occupations, particularly trades, are still regulated state-by-state. Heavy vehicle drivers face varying competency, medical and licence progression requirements¹⁴ and engineer licensing has become less consistent over the past decade (Box 1).

Unnecessarily stringent and inconsistent licensing impedes progress on key issues including construction productivity¹⁵, the energy transition¹⁶ and making better use of migrants' skills.¹⁷

Rationalisation of and national consistency in licensing offers potential annual benefits estimated by the PC at \$5 billion to \$10 billion, based on international comparison, and increased Commonwealth Government revenue of \$600 million to \$1.2 billion per year¹⁸.

Evidence also suggests Australia's overly stringent licensing reduces productivity through lower business entries and exits and making it harder for the most productive businesses to expand.¹⁹ Licensing could be removed in relatively low-risk occupations only licensed in some jurisdictions, such as hairdressing in NSW and South Australia.²⁰

Work has been announced to develop a national licence for electricians. National licensing of all high-risk licensed occupations – without rationalisation – could bring estimated benefits of up to \$846 million per year.²¹

Automatic Mutual Recognition of licences has made some progress, but this does not resolve inconsistencies between licensing and training.²² There are many carve-outs and Queensland has not signed up.

Two key issues have held back reform: Firstly, incumbents benefit from greater restrictions and less competition. International research consistently finds stringent licensing drives higher prices and wages, while generally failing to find quality improvements.²³

Secondly, state and territory regulators receive substantial revenue from registration. Fees for licensed professionals such as plumbers, nurses, architects and lawyers average a few hundred dollars per year.²⁴ Excluding professions already regulated nationally, our central estimate is this brings in \$500 million per year¹ in revenue for regulators. While national licensing may save some costs for regulators, financial support would be needed for restructuring.

Substantial federal-to-state transfers will likely be required to share the benefits of reform and overcome these challenges.

Box 1: Engineers in a tangle of regulation

Australian states have introduced markedly different registration rules for engineers over the past decade. Historically, only Queensland mandated professional engineer registration, but several states have recently enacted new schemes.

Victoria's 2019 Professional Engineers Registration Act now requires registration for all civil, structural, electrical, mechanical and fire-safety engineers. New South Wales mandates registration only for engineers working on multi-storey residential buildings, shared accommodation, or care facilities. In Western Australia, a new Building Services Board scheme registers structural, fire-safety and fire-systems engineers from 2024–25, and civil/mechanical building engineers from 2025–26, with full mandatory compliance by 1 July 2027. South Australia does not require registration.

This means an engineer can be required to obtain separate qualifications or pay multiple fees to work in each state, a patchwork that Engineers Australia has warned can “undermine and limit national consistency of registration”.²⁵ Different definitions of engineering fields and registration scope add complexity and cost to the assessment and regulation of engineers practising across borders.

¹ This estimate is very uncertain as there is no count of the total number of workers covered by state and territory licensing, nor a public record of all registration fees. It is based on published estimates of registration fees per worker where available, on the basis that state and territory regulators are responsible for registering about half of the 20 per cent of Australian workers covered by licensing.

ENVIRONMENTAL ASSESSMENTS



REIGNITING
STALLED
REFORMS

While there was some progress on reform to environmental assessment and approval,²⁶ full harmonisation and delegation of powers was not achieved. An independent review in 2020 found that the Environmental Protection and Biodiversity (EPBC) Act that underpins federal environmental assessments is complex and cumbersome, with duplication of state and territory approval processes.²⁷ These frictions and the prioritisation of unwieldy processes over outcomes increase costs for business, often with little benefit to the environment.

For renewable energy projects in particular, delay, financial impost and procedural impediments arise.²⁸ The EPBC Act has been identified as the single biggest barrier to timely, environmentally responsible renewable energy development. It takes more than 500 days on average for finalised projects to receive a decision.²⁹

There is a need to establish clearer and legally enforceable national environmental standards to be adhered to by states, territories and the Commonwealth.³⁰ Clear and consistent standards can underpin a cross-jurisdictional framework for monitoring, evaluating and reporting on the effectiveness of environmental management to understand where a change of course is needed.

Better environmental assessment also requires better access to high-integrity data and evidence to inform decision making. The review of the EPBC Act found that decision-makers, developers and the community do not have access to the best available data.³¹

New technologies, including AI, have the potential to support faster and lower-cost assessments – particularly for low-risk proposals – but this requires access to high quality data. In WA alone, reducing the time and effort involved in sourcing data could save proponents \$1 million per year, but much bigger savings of tens or even hundreds of millions of dollars could be made through reducing assessment times.³²



PAYROLL TAX

Payroll tax harmonisation was one of the 27 deregulation priorities under the seamless economy agenda. In 2010, all states and territories other than WA signed a joint harmonisation protocol, while WA enacted similar provisions in 2012.

Harmonisation was intended to enable consistency of business practices, taxpayer information and administrative and compliance requirements. In effect, this meant consistency in the base of activity subject to taxation, while allowing states and territories to set their own tax rates.

Full harmonisation was not achieved, however, as differences remained in the treatment of groups such as apprentices, exempt organisations and contractors, and in the thresholds at which payroll tax becomes payable.³³ Business groups have pointed out the costs from inconsistent payroll tax systems, raising particular concern about states that levy the highest rates.³⁴

Regulatory inconsistency has increased in recent years following a 2023 NSW Supreme Court ruling that established that health professionals such as General Practitioners are subject to payroll tax.³⁵ In part due to concerns over whether gig workers such as rideshare drivers should be subject to payroll tax, the responses of states and territories have diverged. SA has determined that most payments to practitioners are assessable for payroll tax and Victoria has pursued medical practices for payroll tax, whereas Queensland, WA and Tasmania have said independent practitioners are not in general subject to the tax.³⁶

Further agreement is needed to achieve greater consistency in the payroll tax base, while allowing states and territories to choose a rate that meets local needs.



Figure 3: Summarising the differences in payroll taxes takes more than four pages

[illegible]

Source: NSW Treasury (2025) *Interstate Comparison of Taxes 2024-25*, Research Paper, <https://www.nsw.gov.au/sites/default/files/noindex/2025-05/trp25-01-interstate-comparison-of-taxes-2024-25.pdf>

HEAVY VEHICLE TRANSPORT POLICY

While progress was made with the establishment of the National Heavy Vehicle Regulator, inconsistencies in vehicle access and design standards across states and territories continue to impose costs for national operators and hold back productivity.

The Australian Logistics Council³⁷ has pointed out a number of areas where progress under the original seamless economy agenda offers a proven model for further regulatory alignment.

Issues ripe for reform include:

- Inconsistencies in axle load limits, bridge assessments and local permit requirements;
- No formal mechanism to benchmark vehicle access and design rules against international frameworks;

- Lack of interoperability with international data and software standards for digital systems that support vehicle access, routing and compliance;
- A nationally consistent approach to conformity assessments; and
- Inconsistent metadata and signalling protocols across jurisdictions, which hampers investments in smart infrastructure including digital twins, predictive maintenance systems and urban freight analytics.

These reforms would help to unlock productivity gains and facilitate the deployment of advanced low- and zero-emission freight vehicles.



REFORMS TO ADDRESS NEW FRAGMENTATION

Emerging issues have raised new inconsistencies in regulation across states and territories.

Service and installation rules for electric vehicle chargers were developed inconsistently across jurisdictions, and connection processes for high-power chargers also vary.³⁸ This inconsistency has become increasingly important over the past five years as electric vehicles have gone from less than 1 per cent of light vehicle sales to more than 10 per cent. While connections reforms should be progressed in energy forums, as noted below there is also a need to harmonise approaches to end-of-life for electric vehicle batteries.

The rise of the gig economy, mentioned above in relation to payroll tax inconsistencies, has also driven new areas of duplication on workplace

relations, where federal and state legislation (for example, provisions for courier drivers in Queensland's Industrial Relations and Other Legislation Amendment Bill 2022) both cover minimum pay and conditions.

These emerging issues raise a tension between enabling governments to take different approaches to new challenges and learn from each other, and harmonised approaches that prevent unnecessary differences and frictions between jurisdictions.

A pragmatic approach would enable innovative approaches in different states but converge to a harmonised regime within a few years.³⁹ This means it is now time for convergence on the key issues outlined below. All new regulation should consider what is happening in other jurisdictions to avoid unnecessary inconsistencies.

'... Our real concern should be the rights and needs of citizens, not as, say, Queenslanders or Tasmanians, but as Australians ... How sensible is it to shrink what is already a relatively small Australian market into separate state markets?'

Bob Hawke, 'Towards a Closer Partnership', speech to the National Press Club, 1990.

DATA SHARING BY DEFAULT

Data has become much more important to the economy since the original seamless economy agenda. A mature data-sharing regime could add up to \$10 billion to Australia's economic output.⁴⁰ Yet there remain restrictions on the sharing of data across states and territories.

For example, use of de-identified Commonwealth government administrative data has become normalised in linked datasets such as the Person Level Integrated Data Asset (PLIDA) and Business Longitudinal Analysis Data Environment (BLADE). This has enabled a wealth of new analysis and evidence on crucial policy topics such as productivity, housing, migration, income distribution and access to healthcare.

Meanwhile, states and territories hold critical data on births, hospitals, courts and corrections. While work is underway to incorporate some data, including through the Life Course Data Initiative between the ABS, the ACT and SA Governments, data sharing is not yet the norm.

There is also considerable duplication, with most states and territories developing their own linked-data assets.⁴¹ They are often reticent to provide researchers with access to integrated data, even when there is a desire to link it to national datasets. With digital technologies increasingly driving economic growth, blocking the flow of data is akin to cutting off the fuel supply for productivity growth.

A coordinated, consistent, national approach and linked-data asset is needed, with an

assumption that if public funding has supported data collection and linkage it should be seen as a public asset. This should start with human services data, as this area has the most state and territory data available and there is an urgent need to use insights from linked data to address major policy issues such as entrenched disadvantage and poverty.

As the current review of the Data Availability and Transparency Act 2022 has recommended, Australia should work towards a national data-sharing framework that achieves full interoperability across jurisdictions and provides standardised pathways to access any public sector data.⁴²

Governments should encourage the sharing and linking of de-identified data by reforming the Intergovernmental Agreement on Data Sharing to require data custodians who refuse to share data to demonstrate why this is in the national interest, and fast-tracking the development of interoperability frameworks for de-identified and anonymised health data.⁴³ The latter may require funding from the Commonwealth Government to enable the adoption of interoperability frameworks and data sharing.

Shared data and digital technologies, including artificial intelligence, are also important to enable an efficient and contemporary seamless economy. They offer opportunities to better identify problems, help firms with compliance and help governments monitor compliance and progress with implementation.



MORE STREAMLINED AND CONSISTENT LAND-USE PLANNING REGULATION

As recognised in the National Housing Accord, Australia needs more social, rental and owner-occupied homes. The accord also acknowledges work is needed across all levels of government to deliver land-use planning reform.

Australia stands out among OECD countries for a highly decentralised system of land-use regulation, combined with involvement of multiple levels of government.⁴⁴ While in theory this can enable tailoring to meet local needs, in practice it leads to geographically segmented regulation that makes it hard for successful construction firms to expand into new areas.⁴⁵

Planning approval processes are often excessively bureaucratic, slow, confusing and duplicative, with limited accountability for local governments.⁴⁶ Scaled up to a national level, this contributes to a national housing shortage.

Broad-scale upzoning and development approval 'by-right' when block size and environmental requirements are met can deliver more housing as well as greater consistency across jurisdictions. A consistent push for more effective land-use planning regulation is necessary to meet national goals for safe, stable and affordable housing, as well as better housing choices.



CONSISTENT STANDARDS AND PROCESSES TO ENABLE A MORE CIRCULAR NATIONAL ECONOMY

The PC's circular economy inquiry has uncovered how differences in container deposit schemes have led to complexity and duplication of registration processes.

All states and territories have introduced container deposit schemes on drink containers in a bid to increase recycling rates. They involve a 10-cent deposit for each container, paid for by beverage suppliers, which is refunded to the consumer when they return the container to a collection depot. This increases recycling rates and reduces littering.⁴⁷

The patchwork of regulations has created hurdles for businesses operating across multiple states and has stifled efforts to develop uniform industry partnerships.

Drink manufacturers are required to register their products separately with each scheme. This creates unnecessary duplication and complexity across a range of administrative processes. Work is now underway to harmonise these functions.

Container Exchange (Queensland) argues that the Commonwealth should drive national harmonisation by:⁴⁸

- Streamlining product registration, scheme contracting, reporting, invoicing and charging methodologies to ease participation for businesses across all states and territories.

- Leading the creation of national industry partnerships to enhance supply chain circularity across retail, logistics and manufacturing sectors.
- Providing strategic oversight to guide the long-term direction of the schemes, ensuring alignment with broader sustainability and circularity objectives.

Australia also needs nationally harmonised performance-based materials standards, rather than prescriptive specifications such as those that exclude waste or recycled materials from bitumen for pavements.⁴⁹ Dangerous goods regulations and guidelines also should be harmonised to establish a common approach for lithium-ion batteries. This can help establish a robust end-of-life electric-vehicle battery industry.

More generally, in a poll of CEDA Environmental, Social, Governance (ESG) Community of Best Practice members, more than two-thirds of 37 ESG leaders identified that “regulatory alignment and harmonisation” and “remove regulatory barriers to innovation” should be priority actions for Australian governments to expand circular economy practices such as reuse, repair and recycling.⁵⁰



BEST PRACTICE GOVERNMENT PROCUREMENT

Most states have procurement policies that give preference to local suppliers, such as Victoria's Local Jobs First Policy, Queensland's Buy Queensland Policy and WA's Buy Local Policy. These policies potentially sacrifice value for money by limiting competition and may prevent access to new products and innovative solutions, while creating unnecessary lobbying risks.⁵¹ They also prevent successful businesses from scaling up by serving governments in another state.

There is a lack of robust evidence that government procurement can deliver substantial regional development benefits.⁵² All Australians would benefit from the removal of policies that discriminate based on the location of a supplier rather than the quality of their products or services.



CARE WORKER SCREENING

Australia's care sector has become increasingly important, growing from 10 per cent of national employment when the original seamless economy agenda was negotiated in 2008 to 16 per cent today.⁵³ In recent years there have been concerns around the quality of care and workforce issues across aged, disability and child care. Anything that can be done to increase the efficiency of service provision and quality of care would be valuable.

Work is underway on a National Worker Screening Check as part of the 2024 National

Competition Policy Agreement. Proceeding with a national system would deliver substantial time and cost savings (estimated at \$10 million per year for disability workers alone⁵⁴) for firms and employees in this critical sector, while safeguarding due process to uphold safety and care quality. Organisations operating in the sector would like more transparency on progress and timelines (Box 2).



Box 2: Closing gaps in care-worker screening

Australia's care sector depends on rigorous worker screening to uphold safety and care quality, but fragmented processes across states create delays, duplication and inefficiencies, hindering workforce entry and worsening skills shortages.

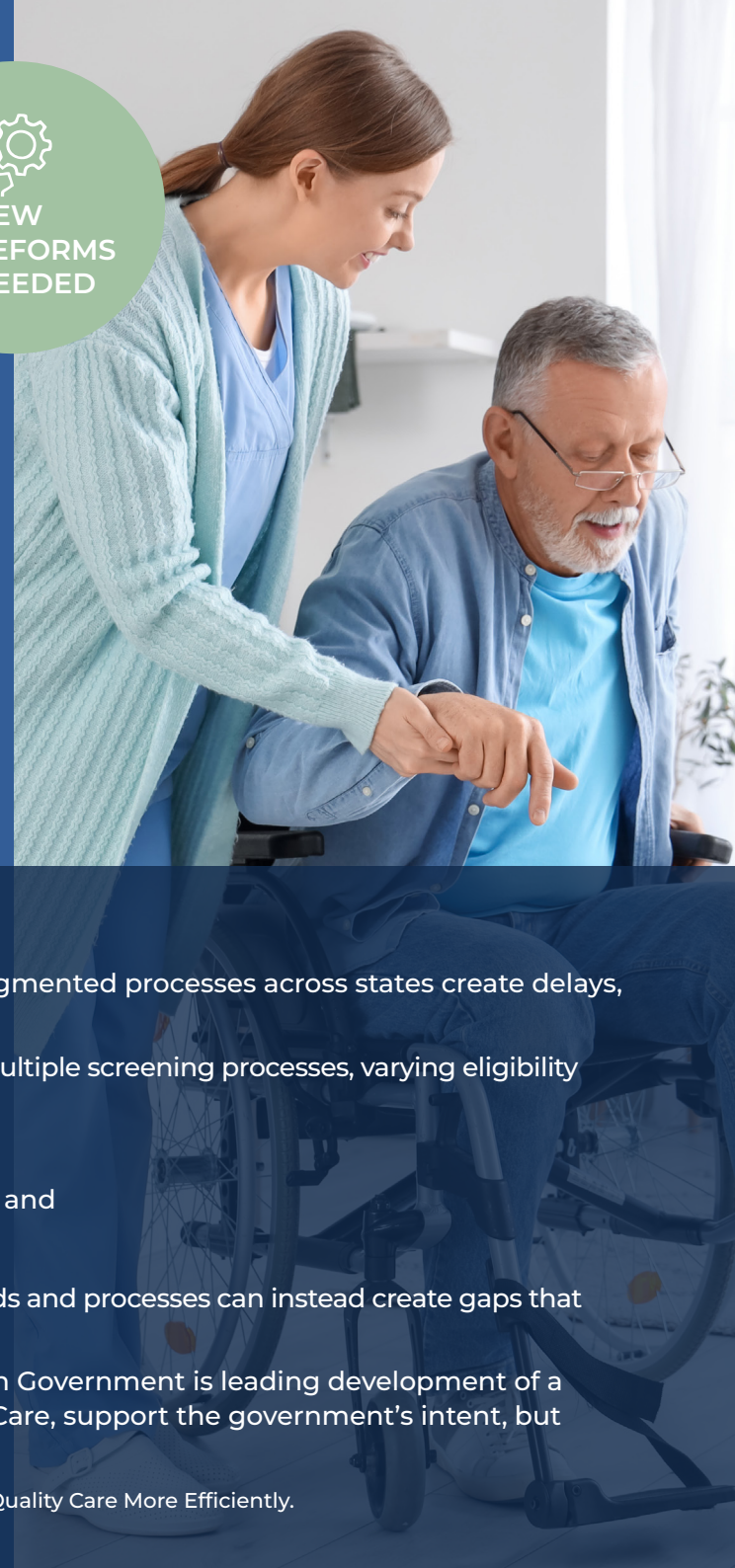
Currently, individuals seeking roles in aged care, disability services and other care sectors must navigate multiple screening processes, varying eligibility criteria and jurisdiction-specific requirements, resulting in:

- Delays in workforce onboarding, exacerbating critical staff shortages;
- Duplicated checks, requiring workers to undergo multiple assessments for different care settings; and
- Unnecessarily inconsistent standards, creating gaps in safeguarding measures.

This imposes costs on care sector workers and providers. Rather than improve safety, inconsistent standards and processes can instead create gaps that undermine the overall quality of screening processes compared with a truly national system.

As part of the 2024 Intergovernmental Agreement on National Competition Policy, the Commonwealth Government is leading development of a business case for a National Worker Screening Check. Key organisations in the sector, such as UnitingCare, support the government's intent, but would like more transparency and sector engagement on timelines, scope and implementation.

Source: UnitingCare Australia, individual consultation based on Submission to Productivity Commission Inquiry into Delivering Quality Care More Efficiently.



CONCLUSIONS

Australia must enhance the mobility of workers, firms, products and capital across the economy to respond effectively to the challenges and opportunities we face. Where our regulatory systems are conflicting and fragmented across states and territories, these frictions make it difficult for productive businesses to start up and expand nationally. This is costly and burdensome, and prevents Australian businesses from being among the most competitive and dynamic in the world.

Fortunately, there is a template for success. Australia delivered billions of dollars from higher productivity growth through the seamless national economy agenda between 2009 and 2013. While not all reforms were delivered, considerable progress was made on 22 of 27 deregulation priorities. These changes have stood the test of time and continue to deliver benefits.

Some unfinished business should be prioritised in a new round of reform:

- Occupational licensing, building on national occupational licensing for electricians announced in early 2025;
- Harmonised and efficient environmental assessments;
- Payroll tax harmonisation; and
- More consistent heavy vehicle access and design rules.

But this is about far more than unfinished business. A more seamless approach to emerging issues would deliver benefits critical to Australia's success in the energy transition, tackling its housing crisis, digital transformation and artificial intelligence, and increasing demands on the care sector. Priority areas include:

- Data sharing across jurisdictions by default;
- More streamlined and consistent land-use planning regulation;
- Consistent materials standards and registration processes to enable a more circular national economy;
- Reforms to state and local government procurement to get the best offers in Australia; and
- Delivery of national care-worker screening.

Key lessons from the first seamless economy agenda should be incorporated into a new agreement. These include first developing the evidence base and case for change, as well as having central agencies driving progress. Payments from the Australian Government to the states and territories, following independent verification of implementation, are also important to overcome implementation challenges.

The National Competition Policy framework agreed by Treasurers in late 2024 might provide a framework to progress seamless national economy reforms. It includes public commitment to a single national market from jurisdictions, modelling by the PC to inform priorities, assessment of implementation by the National Competition Council, and payments upon successful implementation.

However, the scale of funding needed to progress these reforms is likely to exceed the \$900 million available under the Federal Government's new National Productivity Fund. Reform to occupational licensing alone is likely to require hundreds of millions of dollars to smooth the path for state and territory regulators.

In prioritising reforms, it is important not only to focus on potential economic benefits but also on implementation challenges and how to overcome them. This includes considering the number of stakeholders required to reach agreement, the complexity of institutional reforms, the time needed for communication and consultation, and mechanisms to compensate those adversely affected.

A reinvigorated seamless approach won't solve all the issues in Commonwealth-State relations. There is need for further review and reform, industry-specific collaboration in key sectors such as energy and health, and a whole-of-Federation approach to addressing growing pressures on service provision, complexity in delivery and budget sustainability.

A sustained commitment to better regulation and harmonisation can deliver achievable, evidence-based reforms that will reduce friction in the economy and ultimately help lift Australia's productivity growth.

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- Amit Singh and Adam Triggs (Mandala Partners)
- Jason McDonald (Treasury Competition Taskforce)
- Council members in attendance.

Consultations

- Craig Emerson (former Minister for Competition Policy and Consumer Affairs)
- Cross Border Commissioner of South Australia
- Engineers Australia
- Standards Australia
- Uber Australia
- UnitingCare.

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