

Let's talk shop.

Review of Australia's Mutual Recognition Schemes for Workers

May 2026

The Australian Retail Council (ARC) welcomes the opportunity to provide feedback to the National Competition Council's Review of Australia's Mutual Recognition Schemes for Workers.

ARC represents the Australian retail sector. Valued at \$444 billion, the retail sector is the second largest private sector employer in the country, employing over 1.5 million Australians (or one in ten workers). Australian retail is the single largest employer of young people aged 15 to 24 years.

ARC's membership spans the full breadth of Australian retail: from family-owned small and independent businesses, comprising 95 per cent of our membership, to large national and international retailers supporting thousands of jobs and sustaining communities across metropolitan and regional Australia. The sector operates more than 155,000 retail outlets nationwide, with the majority also represented by an online or e-commerce presence. A significant portion of every dollar spent in retail flows back to employees, suppliers, superannuation funds, and local communities.

ARC is committed to supporting Australian retailers by collaborating and advocating for policy and reform that drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it.

General comments – The Fragmentation Tax

In addition to our comments below, we thought it relevant to share with the Council ARC's research regarding regulatory inconsistencies and their impact on Australian households, Australian retailers and the nation.

Most Australians interact with retail on a daily basis. Whether buying a coffee at the local café or purchasing items such as food, groceries or fuel, retail is unique in its ability to connect with Australians. Retail permeates throughout the economy and is a critical part of the supply chain for almost every business in Australia.

Australian retailers operate within a complex regulatory framework spanning Commonwealth, state and territory governments. Retailers must comply with overlapping rules, reporting processes and administrative requirements across jurisdictions, increasing operating complexity and costs.

In February 2026 ARC released [The Fragmentation Tax: How regulatory inconsistency is costing Australian retailers and households](#). Prepared by Mandala, the report quantifies the cost to Australian businesses of government regulation at \$240 billion in 2025. Federal regulatory costs account for approximately \$160 billion, and state and territory costs contribute a further \$80 billion. Jurisdictional fragmentation is estimated to:

- cost the Australian economy \$2.6 billion each year (or \$26 billion over ten years) by slowing productivity in the retail sector
- impact households as higher prices, adding an estimated \$940 million per year in household costs
- shows up in lost opportunities, with around 90,000 jobs forgone across the economy.

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These costs are in effect a fragmentation tax that reflects the cumulative burden of regulatory fragmentation across the retail sector. This fragmentation comprises inconsistent requirements across logistics, waste and recycling schemes, planning and zoning, trading hours, product labelling, WHS and employment, liquor licensing, payroll tax, promotions, product safety, and chemicals and dangerous goods. In short, fragmentation acts like a persistent tax on retail productivity, with costs borne by households and the broader economy.

Addressing regulatory fragmentation is a key priority for ARC and we welcome the opportunity to work collaboratively with Government to drive meaningful reform. This agenda aligns directly with the Government's stated objective of building a single national market across a range of areas including workforce mobility and harmonised waste and recycling standards and food standards.

Principles to guide reform

As a matter of principle, ARC support measures which are designed to increase worker mobility, reduce licensing complexity and enable more timely deployment of personnel where required. While most retail workers, including staff employed in quick service restaurants, are not required to hold occupational licences, some are. Workers who perform high risk activities, such as operating machinery or forklifts, are required to hold occupational licences. Similarly, contractors or tradespeople engaged to perform specialist work on retail premises, such as refrigeration and HVAC engineers, are also subject to licensing requirements.

Despite the introduction of the mutual recognition schemes, occupational licensing remains highly fragmented across jurisdictions. As found by the review, many occupations remain exempt from AMR in several states and territories. Licensing requirements, qualifications, experience thresholds and insurance obligations continue to vary, creating a compliance and cost burden for businesses and workers alike. These inconsistencies are particularly impactful in sectors with high cross-border demand or where skilled workers are required to be deployed quickly to other jurisdictions, including in emergencies.

In evaluating the findings of the review, we encourage the Council to focus on the following:

1. Reform should drive national harmonisation of licensing requirements. This could include national qualification frameworks for occupations or public registration portals, aligning terminology and clarification of licensing scope.
2. Working collaboratively with industry associations and training organisations to develop reforms.
3. Reducing complexity and providing more support to workers and businesses in navigating the licensing system.
4. Reviewing existing occupational exemptions, with a view to encouraging additional occupations to participate in the AMR scheme.

Please direct any queries in relation to this submission to our policy team at policy@retail.org.au.