



SUBMISSION FOR HAIRDRESSING AND BARBER INDUSTRY ON THE CORE SKILLS OCCUPATIONS LIST (CSOL)

Australian Hairdressing Council (AHC)

The Australian Hairdressing Council (AHC) is the national voice connecting hairdressing and barber professionals, educators, and suppliers. It exists to ensure a sustainable, positive future for our industry. Since 2010 the AHC has set ethical business standards for salon and Registered Training Organisation members and represents the professional hair industry nationally.

AHC members are accredited salons, sole operators, product companies, RTOs and associated industry suppliers and businesses that share a united vision to promote and protect the industry. It works as a united front for better business and a better industry.

THE HAIRDRESSING AND BARBER INDUSTRY

The hairdressing and barber industry makes a substantial contribution to the national economy: it accounts for more than \$3 billion in hairdressing services and in excess of \$350 million in retail sales.

A strong Australian hairdressing and barber industry offers many social and economic benefits for individuals and communities in our cities as well as in regional and rural Australia. Given its impact across social and economic spectrums, it makes economic

and policy sense to ensure that the hairdressing and barber industry remains healthy and viable.

The Australian Hairdressing Council continues to raise the profile of the hairdressing and barber industry, particularly among school leavers (the industry's traditional route for entry into the profession) and their parents, and works with teachers, RTOs and education regulators to ensure the Training Package suits the needs of the industry. The AHC is a committee member of Strategic Workforce Advisory Groups (SWAG) for the Jobs and Skills Council, SaCSA (Service & Creative Skills Australia). In parallel, the Australian Hairdressing Council is working towards refocussing the perception of hairdressers and barbers as highly trained professionals who provide a holistic service to their customers.

All of the above activities will ensure the sustainability and health of the hairdressing and barber industry in Australia for the medium to long term. However, none of these activities will address the short term needs of the industry, particularly the significant skills shortage currently facing the hairdressing and barbering industry.

The AHC has recently surveyed the industry, with over 800 participants. The survey results showed 69% of hairdressing businesses advertised for a qualified hairdresser, and only 19% filled a position. 79.3% of Barber businesses advertised and 24% filled a position.

MAINTAINING HAIRDRESSING & BARBERING ON THE CORE SKILLS OCCUPATION LIST (CSOL)

The hairdressing and barbering industry is currently included on the Core Skills Occupation List (CSOL) – a critical and necessary measure that must be **maintained** to support the sector's survival and long-term sustainability.

Despite being recognised on the CSOL, the industry continues to face a **deepening skills shortage** that is having **severe economic, workforce, and social impacts**, particularly on small businesses and regional salons. Keeping hairdressing and barbering on the CSOL ensures the industry can continue to access skilled international workers in the short to medium term, while longer-term strategies (such as apprenticeships, education reforms, and perception shifts) take time to rebuild the

domestic pipeline.

Maintaining the industry's place on the CSOL is not a request for special treatment - it is a **pragmatic and evidence-based response** to critical workforce challenges that cannot be resolved fast enough through local supply alone.

Furthermore, allowing access to skilled international workers:

- Strengthens the training pipeline by enabling these senior stylists to mentor apprentices and junior staff
- Keeps small businesses operational, especially in rural and regional areas
- Reduces the burden on owners already stretched by recruitment challenges and burnout
- Supports economic growth and service continuity in a \$3B industry employing predominantly women

The Australian Hairdressing Council (AHC) strongly advocates for the continued inclusion of hairdressing and barbering on the CSOL - with industry-specific caveats if required - to ensure a fair, ethical, and economically viable pathway for business owners and workers alike.

REASONS FOR THE SKILLS SHORTAGE

1. Apprenticeship requirements

To qualify as a hairdresser or barber in Australia, a person must undertake a course run by an RTO and undertake either education-only or an apprenticeship, during which the student carries out on-the-job (practical) training with a salon. Apprenticeships are preferred by the industry because of the practical training component, which enables graduates to be 'job ready' at the time they complete the apprenticeship. An apprenticeship usually takes three years to complete.

While apprenticeships require significant financial commitment by salons and salon owners, evidence collated by the Australian Hairdressing Council shows that responsible and ethical businesses in the industry are engaging apprentices. This is beneficial to the industry, as it means apprentices will be trained in positive and

responsible environments.

However, salons must employ a qualified stylist for each apprentice they employ for training and mentoring. As a direct result of the significant skills shortage, particularly of experienced and qualified stylists, in Australia, salons are restricted from taking on more apprentices, even when they need them.

2. Predominantly female workforce

The hairdressing and barber industry predominantly comprises women, and a significant number of employees in the industry take time away from their careers to have children and raise families. Furthermore, women overwhelmingly tend to be the primary (family) carers for older, infirm or disabled members of their families.

The first type of family commitment means that a female hairdresser or barber temporarily leaves the workforce for at least a year in respect of each child. While the industry is committed to ensuring employees have available to them the parental leave they need during this time, when female hairdressers or barbers take parental leave, the number of available experienced and senior stylists in the industry is reduced for a period of time because the person is not being replaced or supplemented in the industry.

In addition, both types of family commitments mean that, at a certain point in her career, a female hairdresser or barber will find part-time work more suitable to accommodate her family commitments, thereby reducing the available hours of experienced and senior stylists in the industry for an unknown (as it differs from person to person) period of time. A recent survey with our members confirmed that all employ part-time or casual qualified hairdressers due to family commitments.

3. Increase in sole operators

The Australian Hairdressing Council has received submissions from salons advising that some female employees never return to their salon jobs after having children. This situation permanently reduces the already limited number of experienced and senior stylists in the industry.

In addition, there is an increasing trend in hairdressers and barbers who have children resigning from a salon job and either working from home (legitimately as a registered business) or working in a 'rent-a-chair' arrangement (as an independent contractor).*

**Source: NCVER 2019, Australian Vocational Education and Training Statistics: Apprentice and Trainee Collection Dashboard, NCVER, Adelaide.*

While this trend enables hairdressers and barbers to work hours that accommodate their family commitments, it results in a lack of investment in future apprentices and skills growth within the industry, as sole operators rarely have time to run a business and carry out hairdressing / barbering services as well as train and manage an apprentice or a junior stylist. Due to compliance and other costs, sole operators are also unlikely to hire or develop junior stylists.

*For example, 'rent-a-chair' arrangements have increased from 2,200 to 6,600 in 12 months.

**Source: ATO 2019. Sole traders*

ATO data from January 2024 reports the most common entity structure used by both hairdressers and barbers is that of a sole trader (71%)* followed by companies (15%). The rest are either partnerships (8%) or trusts (7%).

**Source: ATO 2024.*

4. Lack of 'job-ready' workers

The number of qualified, experienced and capable stylists has become diluted as a result of a vocational and education system that produces qualified but inexperienced workers with substandard practical skills.

Reputable salons and salon owners are understandably unwilling to hire graduates with little or no on-the-job (practical) experience, particularly given concerns regarding consumer safety.

5. Decline in apprenticeship completions

While the number of apprenticeship commencements has declined by more than 50% since 2010, the more concerning statistics relate to completion of apprenticeships, which has also declined by more than 50% since 2010.

Although both the Australian Hairdressing Council and the industry are developing and implementing strategies to lift the rates of both apprenticeship commencements and completions, it will be at least 10 years before the flow through of new entrants into the industry could start to meet the demand for skilled and experienced workers.

Similarly, it is unreasonable to expect responsible businesses to hire graduates at Stylist-level Award wages if such graduates require additional training because they did not undertake on-the-job (practical) training as part of their qualification.

IMPACT OF THE SKILLS SHORTAGE ON THE INDUSTRY

1. Reducing small business growth

Hairdressing salons and barbers are predominantly small businesses, and a significant proportion of salon owners operate small businesses, particularly in regional and rural communities.

The skills shortage in the Australian hairdressing and barbering industry is stifling (and even reducing) small business growth because salons and salon owners are unable to employ skilled, experienced and senior stylists and cater to client demand.

2. Lowering productivity

Salon owners and salon managers have numerous legal and regulatory obligations as business managers and employers. Adding the burden of recruiting in an industry where available skilled, experienced and senior staff is limited (and declining) adversely impacts the health and wellbeing of salon owners and managers, including their mental health.

In turn, this leads to a significant reduction in productivity on their part, and limited (if any) availability to train and nurture junior stylists, graduates and apprentices. Stress is added to this already burdensome situation when salon owners and managers have to turn customers (income) away from their businesses because they are unable to provide skilled hairdressing and barber services.

3. Decreasing competition

The skills shortage in the Australian hairdressing and barbering industry is leading to a decrease in competition, as salons are forced to close. This adversely impacts the economy (less taxpayers, a greater reliance on welfare, particularly in regional and rural communities, where job opportunities are more limited compared with metropolitan areas) and leads to monopolisation of hairdressing and barbering services, which can result in price increases.

4. Fracturing the industry

Salons and salon owners currently spend thousands of dollars advertising for experienced and senior stylists on every digital and traditional recruitment platform available.

Besides the financial stress on the business or salon owner, their time is wasted in the vain hope that they will attract suitably experienced and senior candidates. Ultimately, this situation leads to poaching employees from other businesses, leading to a lack of cohesion in, and potentially fracturing, the industry as salons vie for the limited number of experienced and senior stylists available in Australia.

5. Stifling innovation

Australian hairdressers and barbers are globally recognised for innovation in styling and cutting design and technological advances in hairdressing and barbering. The skills shortage in the Australian hairdressing and barbering industry stifles innovation because the salon owners' and managers' attention is re-focussed from innovation and design to recruitment and staffing issues.

Staff shortages mean employees have less time to be innovative and experiment in salons due to longer working hours or the need to perform more standard services. This lack of development of talent precludes employees from progressing their careers for the period of time during which they are impacted by staff shortages, including participating in industry events such as award programs and additional training vital to their skillsets.

6. Diminishing pipeline

The skills shortage in hairdressing and barbering is directly constraining the entry of new talent into the industry. Many salon owners are unable to employ apprentices because there are too few experienced stylists available to provide competent training and supervision.

Coupled with record declines in apprenticeship commencements and completions, the current shortage of experienced and senior stylists will continue to adversely impact the hairdressing and barber industry in Australia for at least 10 years.

7. Reducing the industry's social contribution

The hairdressing and barber industry has a long track record of social contribution, including programs in which hairdressers and barbers offer services to the homeless. Organisations include, Short Back and Sidewalks, Hair Aid, Community Hair Project, Shining a Light on Homelessness, The Streets Barber, The Deadly Hair Dude, Community Volunteering with Sustainable Salons and Walkabout Barber.

The skills shortage in the hairdressing and barbering industry precludes all but the largest (corporate) salons from participating in such important activities and also prevents salon employees from volunteering, except in their own time.

The years of the pandemic is an example of how communities and individuals realised the value of the hairdressing and barber industry. Contributing to the mental health of our communities, a visit to your hairdresser or barber can uplift self esteem, confidence and well being.

HAIRDRESSING AND BARBER INDUSTRY AND THE CORE SKILLS OCCUPATIONS LIST (CSOL)

- Due to the **higher wages required to be paid to visa workers** (TISMET base wage commitment of \$76,000), salon owners and managers expect a higher level of productivity from visa workers, which in turn, assists with business and revenue growth.

International experienced and senior stylists require a significant financial commitment from the employing salon/salon owner (for example, the cost of the application for sponsorship alone costs around \$7,500, a significant expenditure for a small business), which means the decision to sponsor an overseas stylist is one that is made soberly and with due consideration.

- Overseas-qualified hairdressers and barbers give Australian salons, hairdressers and barbers **exposure to international practices, innovations and designs**. This has a two-fold effect: customers experience a different type of service, and hairdressers/barbers planning to go overseas to progress their careers may instead stay in Australia, as the international exposure has been delivered to them.

- International experienced and senior stylists will be able to **supervise, manage and train apprentices**, which will lead to an increase in the number of apprenticeships available to school leavers and others seeking a career change and, in turn, invest in the sustainability and future of their business and the Australian industry.

- International experienced and senior stylists will also be able to **develop and guide junior stylists**, freeing up salon owners and managers to run their businesses and focus on productivity and growth.

- Overseas-qualified hairdressers and barbers will assist in **mitigating the skills shortage in the Australian industry** in the foreseeable future. This will enable salons and salon owners to undertake professional development and to offer professional development programs to their Australian employees.

- The compliance obligations relating to visa workers, including wage records and other requirements, means that employing visa workers requires **responsible business practices** and does not contribute to the black economy.

- Access to skilled visa workers under the CSOL list would enable the hairdressing and barbering industry to strengthen both its sustainability and the overall health of the sector, **without relying on government support or subsidies**.

CONCLUSION

The hairdressing and barber industry has provided clear and unambiguous feedback about the **extent and impact of the skills shortage in the hairdressing and barber industry**, and the impact of changes to Australia's temporary skilled migration and permanent employer sponsored skilled migration programs on the industry.

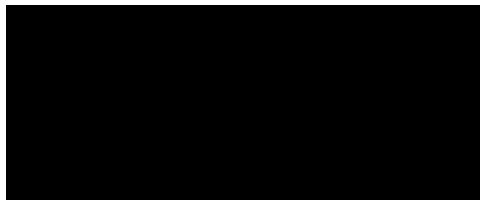
The industry has also recommended **a solution to the skills shortage**, which is to place the hairdressing and barber industry on the 'Medium and Long Skilled Strategic' list (with caveats to address perceived risks) and a pathway to residency.

The industry has demonstrated time and again its willingness and commitment to a healthy, viable and sustainable Australian hairdressing and barber industry and is seeking your support to make a **simple policy change** that will have a significant positive impact on the industry now and into the future.

The Australian Hairdressing Council would be pleased to assist you in any way to facilitate this change to ensure the hairdressing and barber industry is and remains sustainable.

Please contact me if you have any questions about the information provided in this briefing or wish to discuss any matter relating to the hairdressing and barber industry.

Sincerely,

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