# Mutual Recognition Schemes Draft Report

Productivity Commission

Mutual Recognition Schemes, Productivity Commission Draft Report, June 2014. 
This draft report has been prepared for further public consultation and input. The Commission will finalise its report after these processes have taken place.

Commonwealth of Australia 2015



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| The Productivity Commission |
| The Productivity Commission is the Australian Government’s independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.  The Commission’s independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.  Further information on the Productivity Commission can be obtained from the Commission’s website (www.pc.gov.au). |
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# Opportunity for further comment

You are invited to examine this draft report and comment on it by written submission to the Productivity Commission, preferably in electronic format, by **Friday 24 July 2015**. Further information on how to provide a submission is included on the study website http://www.pc.gov.au/inquiries/current/mutual-recognition-schemes.

The Commission is planning on holding roundtables with stakeholders to get feedback on the draft report. This feedback, along with further submissions received, will be drawn on by the Commission in preparing its final report. The final report will be presented to Australian Heads of Government and the New Zealand Prime Minister in September 2015.

### Roundtables

Tuesday 14 July 2015 — Wellington

Friday 17 July 2015 — Melbourne

### Commissioner

For the purposes of this study the Presiding Commissioner is Jonathan Coppel.

### Study contacts

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# Terms of reference

2014 REVIEW OF THE MUTUAL RECOGNITION AGREEMENT  
AND THE   
TRANS-TASMAN MUTUAL RECOGNITION ARRANGEMENT

I, Joseph Benedict Hockey, Treasurer, pursuant to Parts 2 and 4 of the *Productivity Commission Act 1998*, hereby request that the Productivity Commission undertake a review of the operation of the Mutual Recognition Agreement (MRA) and the Trans‑Tasman Mutual Recognition Arrangement (TTMRA) since the previous review, released in 2009.

1) The Commission is to:

a) assess the coverage, efficiency and effectiveness of the MRA and TTMRA;

b) recommend ways to further improve the inter-jurisdictional movement of goods and skilled workers, and reduce red tape, including examining the scope for automatic mutual recognition where applicable;

c) address matters identified by the Cross-Jurisdictional Review Forum, including, but not restricted to:

- the nature and extent of any problem caused by use of goods requirements that restrict the sale of goods under both the MRA and TTMRA, and the costs and benefits of any solutions proposed;

- the issues associated with extending mutual recognition to business registration requirements under the MRA or TTMRA where similar requirements would result in an individual being registered, and the costs and benefits of any options proposed; and

d) examine, following the entry into force of the Agreement on Trans-Tasman Court Proceedings and Regulatory Enforcement, the extent to which the Agreement could facilitate the Trans-Tasman provision of services by particular occupations, based on a single registration,

- consider how such an arrangement could operate; and

- identify and document evidence of any occupations where there is sufficient demand for, and barriers to, cross-border service provision to merit inclusion in such an arrangement;

e) examine the extent to which Commonwealth regulatory agencies are aware of their obligations under the TTMRA and have implemented mutual recognition processes.

2) In undertaking the research study, the Commission is to consult relevant stakeholders in Australia and New Zealand, including the Cross-Jurisdictional Review Forum and to substantiate recommendations, wherever possible, with evidence relating to the scale of the problem and the estimated cost of both the problem and any solution(s) proposed. The Commission should also have regard to the approaches being taken by the Council for the Australian Federation towards ‘minimising labour impediments to improving labour mobility’, following the decision by the majority of States at COAG on 13 December 2013 to not pursue the National Occupational Licensing Scheme reform.

3) The Commission’s report shall be presented to Australian Heads of Government and the New Zealand Prime Minister nine months from the date of commissioning and the Commission’s report is to be published.

4) Within three months of receiving the Commission’s findings, the Cross-Jurisdictional Review Forum is to present to Australian Heads of Government and the New Zealand Prime Minister a Review Report responding to those findings.

J. B. HOCKEY  
Treasurer

[Received 11 December 2014]

Contents

Opportunity for further comment iii

Terms of reference iv

Abbreviations x

Glossary xii

Overview 1

Draft findings and recommendations 21

1 About the review 27

1.1 What the Commission has been asked to do 28

1.2 Previous reviews of the MRA and TTMRA 29

1.3 Mutual recognition in the wider context 32

1.4 Conduct of the review 34

1.5 Structure of the report 35

2 Rationale for the schemes and approaches to their assessment 37

2.1 Regulatory cooperation as a tool to promote economic integration 38

2.2 Rationale for mutual recognition in Australia and New Zealand 42

2.3 Anticipated benefits and costs of the schemes 45

2.4 The Commission’s framework for assessing the schemes 49

2.5 Evidence used to support recommendations 53

3 Overview of the mutual recognition schemes 57

3.1 Origins of the mutual recognition schemes 58

3.2 Legislative underpinnings 60

3.3 Mutual recognition principles and processes 61

3.4 Scope and coverage of the schemes 64

3.5 Review mechanisms 68

3.6 Governance arrangements 70

4 Mutual recognition of goods 73

4.1 Operation of mutual recognition 74

4.2 Scope of mutual recognition for goods 79

4.3 Converting from special to permanent exemptions 95

4.4 Other limits on the coverage of mutual recognition 96

4.5 Use‑of‑goods requirements 100

5 Mutual recognition of occupational registration 103

5.1 Rationale for occupational registration 104

5.2 Forms of occupational registration covered by the schemes 109

5.3 Use of mutual recognition 116

5.4 Concerns about shopping and hopping 120

5.5 Improving the operation of mutual recognition 129

6 Facilitating cross-border service provision 145

6.1 The case for automatic mutual recognition 146

6.2 Automatic mutual recognition in Australia 151

6.3 Challenges to expanding automatic mutual recognition 156

6.4 Manner-of-carrying-on requirements 165

6.5 Extending automatic mutual recognition to trans-Tasman service provision 169

6.6 Mutual recognition and business registration 173

7 Governance arrangements 177

7.1 Evidence of limited oversight and coordination 178

7.2 Resulting erosion of benefits from the schemes 188

7.3 Strengthening collective oversight and coordination by governments 192

7.4 Improving oversight by individual jurisdictions 198

7.5 Mutual recognition in new policy proposals 203

7.6 The role of individual jurisdictions in legislating reforms 205

7.7 The frequency of independent reviews 206

A Public consultation 209

B Overseas models of mutual recognition 217

B.1 European Union 217

B.2 Canada 230

C Survey of occupation‑registration authorities 235

C.1 Introduction 235

C.2 Survey responses 236

C.3 Survey results 240

References 253

# Abbreviations

AAT Administrative Appeals Tribunal

ADRs Australian Design Rules

AMR Automatic mutual recognition

APEC Asia-Pacific Economic Cooperation

ASIAL Australian Security Industry Association Limited

ASQA Australian Skills Quality Authority

CAF Council for the Australian Federation

CER Closer Economic Relations

CJRF Cross-Jurisdictional Review Forum

COAG Council of Australian Governments

CPD Continuing professional development

CRSBANZ Council of Reciprocating Surveyors’ Boards of Australia and New Zealand

ESV Energy Safe Victoria

GDP Gross domestic product

GHS Globally Harmonised System of Classification and Labelling of Chemicals

ILO International Labour Organisation

IP Intellectual property

IPART NSW Independent Pricing and Regulatory Tribunal

ISO International Organisation for Standardisation

LPG Liquefied petroleum gas

MRA Mutual Recognition Agreement

NICNAS Australian National Industrial Chemicals Notification and Assessment Scheme

NOLS National Occupational Licensing Scheme

OECD Organisation for Economic Co-operation and Development

TTCPRE Trans-Tasman Court Proceedings and Regulatory Enforcement

TTMRA Trans-Tasman Mutual Recognition Arrangement

TTOT Trans-Tasman Occupations Tribunal

PC Productivity Commission

RTO Registered training organisation

SOM COAG Senior Officials Meeting

VET Vocational education and training

WTO World Trade Organisation

# Glossary

|  |  |
| --- | --- |
| Automatic mutual recognition (AMR) | A model of occupational registration which allows individuals to provide services beyond their home jurisdiction without having to register again under the mutual recognition schemes. |
| COAG Ministerial Councils | They include Ministers from the Commonwealth, states and territories and in some cases New Zealand. Such councils can be called upon to make decisions on how a specific good or occupation is to be treated under the mutual recognition schemes. |
| Coregulation | Coregulation involves government endorsement, usually by legislation, of a licensing scheme administered by a private‑sector professional body. |
| De facto registration | An arrangement where legislation authorises people who meet certain requirements (such as training requirements) to practise an occupation, without further reference to a registration body. |
| Deemed registration | Deemed registration allows a registered person who applied for mutual recognition in another jurisdiction to carry on their occupation in that jurisdiction, pending the outcome of their application. |
| External equivalence | An alternative term for automatic mutual recognition. Currently used to describe Queensland’s automatic mutual recognition arrangements for electricians. |
| Harmonisation | The alignment of different standards or regulations across jurisdictions. This does not mean that standards need to be identical in each jurisdiction, but rather that they are consistent or compatible to the extent that they do not result in barriers to trade. |
| Ministerial Declaration | A statutory instrument currently used in Australia to prescribe the equivalence of particular occupations. Ministers from two or more jurisdictions may jointly declare that occupations are equivalent, and may also specify or describe the conditions required to achieve equivalence. |
| Mutual recognition | Mutual recognition, as defined in Australia’s Mutual Recognition Agreement and the Trans-Tasman Mutual Recognition Arrangement, allows goods that can legally be sold in one jurisdiction to be sold in other jurisdictions without having to satisfy additional requirements. Similarly, people registered to practise an occupation in one jurisdiction are entitled to be registered for an equivalent occupation in other jurisdictions after notifying the local registration authority. |
| Negative occupational licensing | A statutory scheme that allows a person or business to practise an occupation unless they breach certain statutory requirements. |
| Occupational equivalence | Registered occupations in different jurisdictions are considered equivalent under the mutual recognition schemes if the activities authorised to be carried out in each jurisdiction are substantially the same. |
| Registration of an occupation | The licensing, approval, admission, certification (including by way of practising certificates) or any other form of authorisation, of a person required by or under legislation for carrying on an occupation. |
| Shopping and hopping | The practice of registering in a jurisdiction with less stringent requirements and then obtaining registration through mutual recognition in a more stringent jurisdiction. |
| Uniformity | A single standard or regulation that applies across all jurisdictions. |