

November 2020

# Automatic mutual recognition of occupational licences

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Industry Stakeholder Consultation

## Executive Summary

NSW Treasury is conducting a series of digital roundtables to consult with industry stakeholders on the proposed reform to introduce automatic mutual recognition of occupational licences across all jurisdictions.

The roundtables will explore stakeholder views in relation to the key elements of the AMR model and the key aspects of the draft *Mutual Recognition Amendment Bill 2020*. They are also an opportunity for stakeholders to share any sensitivities and challenges to the application of automatic mutual recognition in their respective industries.

The findings of this consultation will be used to inform the NSW Government's position on the model, legislation and implementation approach.

# Reform Overview

## Background

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- On 31 July 2020, the Council on Federal Financial Relations (CFFR) agreed that the new default position would be for all occupational licences issued in Australia to be recognised by all States and Territories. Under the proposed model, jurisdictions would be required to opt out, rather than opt in to recognise certain types of occupational licence.
- On 7 August 2020 at National Cabinet, First Ministers endorsed this proposal, agreed Treasurers would lead this work, and expressed an ambition to have the overarching framework and supporting legislation in place from 1 January 2021.
- On 17 August 2020, the Commonwealth Treasurer, the Hon Josh Frydenberg MP, announced a new uniform scheme to support occupational mobility for licenced occupations via automatic recognition.
- A joint Commonwealth/State Working Group was formed and an initial progress report, including a potential model for AMR, was considered by CFFR on 25 September.
- On 30 October 2020, CFFR considered and agreed to the proposed model for AMR and approved their report back to National Cabinet on 13 November 2020.
- On 13 November 2020, National Cabinet endorsed the model and principles for AMR.
- It is intended that the scheme will be implemented from 1 July 2021.
- Under the new scheme, occupational licence holders across Australia will be able to move interstate more easily for work, not have to pay for licences in multiple jurisdictions, and have more consistent application of licensing and regulatory requirements.
- The proposed model will retain the benefits of existing mutual recognition arrangements and standards of protection and public safety, while streamlining application and notification processes.
- Improving occupational mobility offers economic benefits including improvements in provision of services which will increase productivity, output and competition. These benefits will be passed on to businesses, workers and consumers through lower costs and greater choice. In New South Wales, AMR will also enable industries to more easily address long standing skills shortages in trades such as air conditioning and refrigeration occupations, plumbing and childcare.
- This reform represents significant progress and will contribute to New South Wales' economic recovery from the COVID-19 Pandemic and recent natural disasters such as the 2019 bushfires.

## Proposed AMR Model

Key elements of the proposed model include:

- a. A licensee is permitted to undertake in a second jurisdiction the activities that are substantially the same as those under their home licence.
- b. It does not require an applicant to register or pay fees in the host jurisdiction.
- c. In principle no notification is required. However, jurisdictions could have discretion to specify a simple form of notification.

- d. Conditions applied by a home jurisdiction on a licence would apply as conditions on a deemed licence in the host jurisdiction. This includes any disciplinary conditions placed by a home jurisdiction on a licence.
- e. A person who has conditions placed on a home registration in response to disciplinary, criminal or civil proceedings, or whose registration is cancelled or suspended as a result of disciplinary proceedings, will not be able to access AMR.
- f. Local laws apply to interstate licensees. This means both conduct provisions as well as requirements regarding insurance, fidelity or compensation funds, trust accounts and similar requirements.
- g. AMR would apply indefinitely and could have a natural end date of the end of the duration of a valid home licence.
- h. A licensee who seeks to move their place of residence to another jurisdiction would be required to apply for a local licence, for example, through the existing mutual recognition scheme.
- i. Information about licences and their scope of work in jurisdictions need to be accessible by regulators, licensees, employers and consumers.
- j. All occupations can be considered eligible for AMR unless specifically exempted by a state or territory because of significant risk to consumer protection or worker or public safety, with exemptions only applying in that state or territory. Exemptions will sunset after five years and be subject to review by the state if they are to be renewed.
- k. The changes will not prevent people from seeking mutual recognition under the existing framework, nor will it disrupt existing national registration schemes or existing state-based automatic recognition schemes.

## Consultation Questions

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To aid discussion, Treasury asks that stakeholders consider the following questions:

- What are your views on the proposed model?
- Are there any aspects of the model which may be challenging to implement in your industry?
- If so, are these challenges significant enough to warrant an exemption (provide justification)?
- Are there any issues that have not been addressed?
- Do you see any benefit for your industry in moving towards this model?
- Do you see any adverse impacts for your industry in moving towards this model?

## Further information and contacts

For further Information or clarification on issues raised in the discussion paper, please contact:

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