



HIA Submission

Review of Australia's Mutual Recognition Schemes for Workers

National Competition Council

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Executive summary

The Housing Industry Association (HIA) takes this opportunity to respond to the Consultation Paper on the Review of Australia's Mutual Recognition Schemes for Workers. The Consultation Paper details the Council's interim findings on barriers to a single national market for workers supported by the mutual recognition framework and triggers the second round of consultation associated with the review.

HIA is the peak body representing businesses in the residential building industry across Australia. Our membership extends across the supply chain, from builders and trade contractors, to manufacturers and suppliers, to design consultants and other professionals, all contributing to the supply of housing for Australian homeowners. As such, this submission focuses on the impact of licensing and registration frameworks, mutual recognition (MR) and automatic mutual recognition (AMR) as it applies to our industry.

HIA's submission to the Federal Government on the [National Competition Policy review](#) in 2025 sets out the unique attributes, challenges and opportunities in relation to occupational licensing for the residential building industry. There is considerable overlap between the topics addressed therein and those broached in the Consultation Paper and as such we reiterate them with respect to this submission.

There is no denying the licensing schemes across Australia in their current form create complexity and barriers to both businesses and workers. To this end, we are broadly supportive of MR and AMR (together, the MR Scheme) for building and construction industry occupations across Australia and we are predominantly supportive of the findings in the Consultation Paper.

There are also a number of improvements available to the MR Scheme as it stands, including the Ministerial Directions which must be kept up to date, and could be simplified to enable easier understanding and application by both workers and government. Other measures such as improved uniformity, and enhanced information and education across a range of topics is vital in cutting through complexity and ambiguity to improve MR Scheme use and confidence. Additionally, improved data-sharing or centralisation can improve regulatory oversight and accessibility, which should be managed at a federal level, along with any holistic scheme reviews.

However, the way any statutory changes are approached is critical, whether to the MR Scheme or licensing settings more broadly. Changes must be driven by demonstrable need and supported by data through a comprehensive regulatory impact assessment (RIA), including consideration of small business and housing affordability impacts, which are necessary to ensure the changes not only 'do not harm' but actually support industry, licence holders and other stakeholders.

An approach that would see the various avenues for optimisation of the MR Schemes interrogated and progressed where justified, would ensure housing affordability and small business viability are maintained, while licence portability is improved.



Key recommendations

1. Any regulatory response must arise from a genuine need, be backed by data and be proportionate and appropriate under the circumstances, particularly for small business operators.
2. Consultation and a RIA are necessary to ensure changes 'do no harm', supported by appropriate transitional arrangements, education, information and communications.

Interim findings

3. Ministerial Declarations should be regularly reviewed and updated to ensure they are current and comprehensive.
4. A review should be carried out to identify opportunities to simplify and clarify Ministerial Directions to ensure they are easily understood and responsive to the nuances of the licensing schemes.
5. Consistent and accessible plain-language information and education for government, industry and consumers is necessary to support MR Scheme use through improved awareness and understanding.
6. It is necessary to review opportunities for improved data-sharing and centralisation in digital licensing systems and the MR Scheme to ensure data is accurate, current and accessible.

Implementation and alignment

7. Improvements to coverage of building and construction occupations under the MR Scheme should be the subject of a review led by the Federal Government.
8. An agency within the Federal Government should be established with the view to improve oversight, adoption, consistency and usability of the MR Scheme.
9. Home warranty insurance eligibility and coverage should be considered as a part of a MR Scheme review, with the view to further improving licence portability while upholding levels of consumer protection.

Experience of workers

10. Opportunities to utilise the MR Scheme for business licences should be considered, where the risk profile is low and where portability supports the objectives of the scheme.
11. A centralised system of notification could form part of a strategy to improve data sharing or transition towards a fully centralised licensing system.

Opportunities to strengthen and streamline

12. Transitional arrangements will be necessary but will depend on the scope and type of changes proposed. Further consultation and analysis will be necessary to determine the appropriate approach to implementation to minimise any adverse impacts on industry.



Productivity and housing affordability

The existing licensing landscape

No two states have the same licensing or registration system for building and construction workers or businesses. To further complicate matters, the licensing schemes across jurisdictions are divergent across an extremely broad range of attributes, including:

- The range in types of licence classes
- Requirements for business and/or occupational licensing
- Variations in the types of individuals required to hold an occupational licence
- Variations in the type of businesses required to hold a business licence
- Variations in the training and experience required to hold equivalent licences
- Variations in the types of work or value thresholds that require a licensed builder, a building approval and/or home warranty insurance
- In some jurisdictions there are licensing tiers
- Individual licence limitations, such as building classes or climate zones
- Inconsistent licence eligibility requirements such as:
 - minimum financial requirements
 - home warranty insurance eligibility
 - other mandatory insurances
 - minimum conduct requirements, such as the way licensees perform the work, consumer protection and contract requirements, statutory warranties and financial controls

Although under the MR Scheme, the differences across the various licensing and registration schemes are addressed by way of the Ministerial Declarations, as a result of the complexity there remains a mismatch in comprehensive licensing coverage, as well as the further requirements imposed by regulators.

The nature of the residential building industry

The residential building industry is one of the most highly regulated industries in Australia. Home builders must manage a complex web of national, state, and local laws, regulations and codes spanning building, planning and environmental, workplace health and safety, licensing, warranty obligations and corporate compliance and taxation.

Despite the demonstrated burden of regulation and red, white and green tape, the quantum and pace of change continues to cripple businesses, impacting the industry's ability to respond to the current critical shortfall in housing and to pushing up the cost of delivering a home. This was echoed in the Productivity Commission's [Final Report on Creating a more dynamic and resilient economy](#) and further demonstrated in the excessive taxation on housing as outlined in the March 2025 Centre for International Economics [Report on Taxation of the housing sector](#). For example, in NSW, almost 50% of the cost of a house and land package is attributable to statutory taxes and regulatory costs.

Although the building industry spans businesses operating as sole traders, through to large national and international groups comprising multiple brands, small and family-run businesses account for over 95% and are responsible for delivering around two-thirds of the nation's new homes every year. It is these businesses



that feel the weight of ambiguous and complex regulation the most. [HIA's Small Business Conditions Survey 2026](#) revealed 68% of small businesses considered closing or scaling back due to red tape and compliance burdens, while 53% spend at least 5 hours per week (at least 260 hours per year) dealing with regulatory requirements.

For small businesses, worker portability has limited practical benefit, as the majority of these businesses are primarily operating within their own distinct jurisdictional borders. Despite this, the MR Scheme can reduce small business costs by removing duplicative and inconsistent regulatory requirements, leading to lower compliance costs and greater certainty, in addition to improving access to a broader, national labour pool. However, they are also highly susceptible to the impacts of changing regulation, and care must be taken to ensure reforms do not unfairly undermine small business operations.

Small businesses must be supported to continue to do business, with right-size, enabling regulatory settings, rather than complex or restrictive regulatory intervention, including under the MR Scheme. Governments must ensure that the regulatory settings and related compliance requirements are proportionate and risk-based and informed by the practical realities of small business. Benefits of the scheme will be amplified where any improvements are accompanied by better quality administration of licencing regulation.

By comparison, for larger businesses that operate across state borders there is greater benefit in national consistency and improved workforce mobility, although this is limited to circumstances where workers require a licence, which is not the case in all instances.

For example, a supervisor in WA is only required to be registered if they are the nominated supervisor for the registered building contractor. While a business may utilise registration or licensing as a way of satisfying themselves that a supervisor is capable of performing supervisory duties and supporting the nominated supervisor in their duty to supervise the work, it is not a requirement for day-to-day supervision. Similarly, a licence may not be required unless the business or worker is carrying out work for a consumer.

To this end, larger businesses are also likely to benefit from improvements in regulatory clarity and improved regulation, in addition to enhanced cohesion across borders.

The appropriate approach to change is key

HIA is calling on government to 'do no harm' in their approach to regulation. To ensure minimal disruption across industry, the appropriate strategy for any changes to existing systems is critical in ensuring they are genuinely required and will make real improvements.

Any proposed changes to existing frameworks must be based on a genuine need and backed by data. Once an issue has been identified the options for change must be tested in consultation with key stakeholders, including representatives from industry and small businesses.

A robust RIA and a comprehensive cost-benefit analysis will also be critical. This RIA must consider impacts on industry productivity, housing affordability, small business, and the broader reform context for state and federal governments. The ability for small business to comply with any proposed regulatory amendments should set the baseline for change. Only if the RIA supports the need for change, including a positive cost-benefit ratio, should the changes progress.

This should be coupled with appropriate transitional arrangements, as outlined in our response to Question 17, and training, information and communications to boost awareness and compliance with any changes.



Recommendation 1.

Any regulatory response must arise from a genuine need, be backed by data and be proportionate and appropriate under the circumstances, particularly for small business operators.

Recommendation 2.

Consultation and a RIA are necessary to ensure changes 'do no harm', supported by appropriate transitional arrangements, education, information and communications.

Interim findings

Question 1.

Do you have feedback on some or all of the Council's interim findings? Please identify which findings you do or do not support, using data and case studies to support your views where possible.

Finding 1: Australia's mutual recognition schemes are working well for some occupations and have provided some benefits to workers across a range of industries.

In principle, we agree that the MR Scheme is providing a level of functional portability within the complex licensing landscape across the residential building industry and as a result, the scheme have been of benefit to some workers and businesses. Despite this, there remains a range of impediments to optimal functionality, and several areas where improvement could be made.

Finding 2: While AMR has the potential to deliver significant mobility benefits, its effectiveness is limited by occupational exemptions and Queensland's lack of participation in the scheme.

HIA agrees that the permitted range of exemptions, exclusions and jurisdiction-specific requirements creates a Swiss-cheese approach to coverage, fuelling confusion in the interpretation and application of the framework and undermining the practical utility of the scheme. This not only adds to the cost and administration involved in the scheme for both workers and businesses but ultimately dissuades potential scheme users.

Finding 3: Mutual recognition schemes can allow for 'jurisdiction hopping', where workers obtain their licence in the jurisdiction with the least stringent entry requirements or fees, before using the schemes to undertake work in a different jurisdiction.

HIA supports this finding and refers to its response to Question 4.

Finding 4: The traditional MR scheme can allow for 'licence uplifting', where workers use the scheme to obtain licences that allow a larger scope of work compared to their home state licence.

HIA supports this finding and refers to its response to Question 4.

Finding 5: Mutual recognition schemes work best where there is a high level of regulatory alignment between jurisdictions.

HIA supports this finding.



For the building and construction industry, the marked disparity in the licensing of builders and trade contractors from state to state will mean that the positive benefits of the MR Scheme may never be able to be fully realised.

Finding 6: Application of local laws can undermine the effectiveness of mutual recognition.

We support this finding.

Different eligibility requirements for licensing between jurisdictions make the MR and AMR processes inconsistent and limits potential benefits to the industry. For example, despite the fact that a builder may obtain a license to carry out certain building works in another jurisdiction through mutual recognition, that builder must still obtain home warranty insurance in order to carry out domestic building work in that jurisdiction.

Finding 7: Information sharing between regulators is fragmented and heavily reliant on manual processes.

HIA agrees with this finding.

There is considerable room for improvement in data collection and sharing or centralisation between jurisdictions.

Finding 8: Regulators, employers and workers can face difficulty when attempting to determine the equivalence of licences under the MR scheme, and the Ministerial Declarations outlining equivalent licences are out of date.

HIA supports this finding.

One example of outdated Ministerial Directions is where a worker with a medium rise registration granted under the *Design and Building Practitioners Regulation 2021* (NSW) was seeking the equivalent Queensland Builder – Medium Rise licence. The licence scopes were largely aligned, with only a minor discrepancy relating to NCC Class 9c buildings. However, because the NSW registration was not included on the Federal Register, it was difficult to provide any certainty as to what licence (if any) would be granted in Queensland.

When raised with QBCC, they took the view that they could not provide guidance because the registration was not listed on the Ministerial Directions and suggested that the NSW registration was more akin to a certifier role. On that basis, they indicated it was unlikely that a mutual recognition licence would be granted but ultimately advised that the individual would need to apply to find out. This was an unsatisfactory response.

Another recent example is where a Victorian builder was granted a ‘Builder – Open’ licence in Queensland but was not permitted to carry out work on NCC Class 1a buildings. Although it is unclear exactly how this occurred, it is our initial view that it may be as a result of a strict interpretation of the Ministerial Directions, which do not properly account for the member’s on-site experience with Class 1a projects.

There is no excuse for Ministerial Directions to remain outdated for a prolonged period and this issue should be addressed as a matter of priority as it undermines the integrity of the MR Scheme.

Additionally, there should be a review to identify opportunities to streamline and simplify the Ministerial Directions in order to ensure the information therein can be easily understood and applied by all those required to rely upon them.



Recommendation 3.

Ministerial Declarations should be regularly reviewed and updated to ensure they are current and comprehensive.

Recommendation 4.

A review should be carried out to identify opportunities to simplify and clarify Ministerial Directions to ensure they are easily understood and responsive to the nuances of the licensing schemes.

Finding 9: Information provided to workers and employers using mutual recognition schemes can be fragmented and difficult to navigate, increasing compliance costs.

Ambiguity and complexity drives non-compliance and non-participation, as well as increased costs for those attempting to comply.

Anecdotally, there can be some dissatisfaction among MR applicants with the equivalent licence granted, particularly due to the lack of practical guidance available to applicants to understand what outcome they are likely to receive. While the Ministerial Directions exist, most licensees would not be aware of or know to consult them.

In addition to improvements in the Ministerial Directions identified in Recommendations 3 and 4, there is considerable scope for improved information and education for all those interacting with the MR Scheme, including government, businesses, workers and consumers. HIA is well-positioned to support government with these efforts.

Recommendation 5.

Consistent and accessible plain-language information and education for government, industry and consumers is necessary to support MR Scheme use through improved awareness and understanding.

Finding 10: Data limitations constrain evidence-based regulation and policy reform.

HIA supports this finding.

In the absence of consistent and coordinated data on the success of the scheme, the ability to progress evidence-based reforms is hindered. If there is no ability to identify a problem exists, there is no way of knowing whether it is indeed a problem, its potential scope, of identifying any factors contributing to the problem, or of the appropriate options for remedy.

Finding 11: There is significant potential for technology to improve information sharing to licensees and between regulators, with stakeholders expressing strong support for digital licensing and the introduction of a national licensing register.

We strongly agree with Finding 11.



The success of the MR Scheme depends heavily on the cooperation and coordination of State and Territory regulators in information gathering and sharing, any proposed notification requirements and adequate resourcing to ensure that a 'line of sight' can be retained over licensees operating in their jurisdiction.

A lack of data sharing between state-based licensing bodies hinders the application and regulation of the MR Scheme, however there are now significant opportunities to improve these circumstances by utilising technology to implement centralised, real-time systems for the benefit of regulators, consumers and businesses.

Recommendation 6.

It is necessary to review opportunities for improved data-sharing and centralisation in digital licensing systems and the MR Scheme to ensure data is accurate, current and accessible.

Finding 12: Stronger institutional arrangements would encourage national regulatory consistency and support enduring reform.

HIA supports this finding. Gentle, incremental improvements in alignment between jurisdictions of existing schemes is likely to have a less disruptive effect on businesses and workers than sudden, broad-reaching harmonisation reforms.

Finding 13: Concerns about training quality and fraudulently obtained credentials cannot be addressed through mutual recognition schemes alone.

While not widespread we acknowledge in some circumstances there are issues with quality of training and assessment, the legitimacy of credentials and challenges involving attempts to circumvent protections built into the licensing framework. These issues are not a product of the MR Scheme, but rather related to training and licensing systems broadly.

We agree with Finding 13 and suggest the matter is best dealt with as a part of the initial home-state licensing process, rather than the MR or AMR frameworks. Further details are provided in response to Question 5.

Finding 14: National licensing may be desirable for some occupations, particularly if they comprise a large and mobile workforce, are subject to AMR exemptions, involve cross border work that occurs remotely and/or there is tripartite support for a national scheme. In such cases, there may be benefits in taking a graduated approach that builds towards national licensing in a sequential manner.

In principle, HIA does not object to Finding 14 for some occupations, subject to an approach to change that optimises benefits and minimises harm to industry in accordance with our Recommendations 1 and 2.

Further details are also provided in response to Question 18.



Impact and effectiveness

Question 2.

What evidence exists that MR or AMR has improved productivity, workforce participation, reduced skills shortages or enabled faster workforce deployment in your industry?

A clear example of the appropriate use of the AMR scheme is where workers can be readily mobilised and move between jurisdictions for disaster relief purposes. If Queensland was to participate in the AMR scheme, it would likely benefit given it experiences a range of destructive weather conditions and natural disasters including flooding and regular cyclones.

Additionally, where a worker is based near jurisdictional borders, such as in ACT and NSW, and similarly Queensland and NSW, there would be obvious benefits for both businesses and workers if licensing for workers was only required in one jurisdiction. Although this is unlikely to have a benefit for established workers, who are already licensed in both jurisdictions, it could have a benefit for new entrants to industry and reduce barriers to entry.

MR and AMR has proved to be effective where there are significant projects underway or strong levels of building activity in specific jurisdictions. This allows movement of skilled labour to meet demand by addressing licensing requirements that previously have acted as a barrier. For example, the build for the Brisbane Olympics will require a licensed interstate workforce. Similarly, builders experiencing a downturn are seeking opportunities in stronger markets such as Queensland, Western Australia and South Australia to maintain their livelihoods.

Questions 3. and 4.

Are there measurable differences in safety or quality outcomes for workers operating under mutual recognition schemes compared with locally licensed workers? Do outcomes vary between workers using AMR and MR respectively? If so, please provide evidence.

How widespread is 'jurisdiction hopping' or 'licence uplifting'? Is there evidence that these practices are associated with differences in safety or quality outcomes?

HIA has received anecdotal reports of both jurisdiction hopping and licence uplifting, and it is broadly acknowledged that applicants will sometimes use the MR Scheme to obtain licences in jurisdictions where it is perceived to be easier to navigate requirements compared to their home state.

Victoria increased its preconditions to licensing building surveyors several years ago and since that change came into effect, we understand there has been a shift towards registration in Western Australia. These reports are supported by data from the Department of Local Government, Industry Regulation and Safety (LGIRS) in WA, which shows an increase in Victorian-based applicants from 15 in 2023 to 145 in 2024.

Similarly, we have been advised that South Australian building supervisors are increasingly gaining registration in Queensland, where the practical experience requirements are shorter, and there is clarity in the application process. By comparison, the SA process involves an interview with a high level of uncertainty and perceived subjectivity, and relatively low levels of support provided to assist applicants to succeed.

While these are two examples, there are likely many more and patterns will be evident in the data held by the various jurisdictions.

Despite these observations, these circumstances are not necessary a reflection of a shortcoming in the MR Scheme but rather cause for a review of the licensing processes and requirements in certain jurisdictions.



It is evident also that where a reduced level of practical experience is required in one jurisdiction, naturally this will be reflected in the workers' capabilities. Again, anecdotally, this has been observed in South Australian supervisors. However, it would be unreasonable to expect a worker in any industry to perform at the same level as someone with twice their experience and in any role there will always be a range of skills, knowledge and experience across the workforce.

Instead of focusing on the differences between the requirements in another jurisdiction, the question under consideration ought to be whether the workers with less experience are still suitably experienced to perform at the required level for the role. The answers to this question will be reflected in data on workplace incidents, non-compliance with permits or other statutory standards, and disciplinary data.

Question 5.

Are there data or cases indicating that mutual recognition has weakened safeguards against poor-quality training or fraudulently obtained credentials? How effectively do current schemes detect and respond to these risks?

As broached in our response to Questions 3 and 4, there is a perception amongst stakeholders in some jurisdictions that the standards in other jurisdictions are not as high as their own. This is not limited to the differences in the licensing frameworks, with respect to the requirement for a licence, or the different credentials required to obtain a licence. It is also a product of differences (whether genuine or perceived) in the level of oversight of training, assessment, recognised prior learning, and the vigour in which applications are assessed.

For example, we understand Victoria may be moving away from a solely desk-based approach to registration. New registrations must pass an online exam, and the Building and Plumbing Commission (BPC) will then apply a risk-based approach to claimed experience, including attempting to match claims of experience against building permits and other data to determine applications that require more scrutiny.

Prior to progressing any regulatory or non-regulatory interventions to address this perception, it is important to distinguish whether these are issues with the MR Scheme or actually related to shortcomings (or overzealousness) in the training, assessment and licensing schemes in different jurisdictions. The appropriate solution will depend on the root cause, which must be identified as a first step in accordance with Recommendation 1.

Question 6.

Is adequate information available to consumers to determine the competency of licensed workers?

While it should simply be a matter of checking the relevant register, a simple Google search reveals the process for verifying competency is not necessarily clear-cut for consumers. In accordance with Recommendation 5, better materials to assist consumers in verifying competency and currency of an interstate licence would likely go further to support the proper use of the MR Scheme.

Additionally, in accordance with Recommendation 6, a centralised approach to licence data storage across all states would go one step further to simplifying the process, for consumers and other MR Scheme users.

Question 7.

Are there any factors not highlighted in the interim findings that are constraining the effectiveness of MR or AMR?



We are not aware of any further matters at present; however, we would welcome the opportunity to be involved in ongoing engagement and consultation on the MR Schemes and may provide further input at that time.

Implementation and alignment

The inconsistent approach to trade licensing across jurisdictions presents a considerable barrier to the functionality of the MR Schemes. For example, while an experienced carpenter can operate in WA and Tasmania without a licence, they are not eligible to work under AMR in states with trade contractor licence requirements, despite being experienced and capable to do so, potentially more so than other licensed parties in that state.

Further, the list of inclusions, exclusions and commencement dates across licence classes and jurisdictions is lengthy and complex. Compliance with inconsistent local public protection measures also further complicates matters.

Largely these issues arise from jurisdictions with higher entry standards seeking to maintain those standards, and this forms a major barrier to expanding or improving the effectiveness of the MR Schemes. However, for occupational licensing (as opposed to business to consumer licensing) there appears to be little reason why more effective automatic licensing arrangements are not already in place. The approach in New South Wales under the *Mutual Recognition (Automatic Licensed Occupations Recognition) Act*, enabling Queensland and Victorian electricians to work across state borders, demonstrated the relative simplicity with which this can be actioned.

Question 8.

Are state-based AMR exemptions and variations in the implementation of mutual recognition schemes proportionate to the risk of harm? Are there exempt occupations that should be prioritised for inclusion in AMR?

Noting this is not a new issue, and that various attempts have been made over the years to improve MR arrangements, it is difficult to imagine how the risk of harm could be so vastly different from one side of the border to another to justify such a prolonged delay in full participation. To this end, there should be greater consideration by the states and territories, overseen by a Federal Government agency, around opportunities to overcome and ultimately remove exemptions and carve-outs to the scheme so the benefits of the MR Scheme can be better realised.

As a part of Recommendation 1, we recommend a holistic review of the MR Scheme by the Federal Government, focusing on occupations that would benefit most from improved coverage. With the upcoming

Recommendation 7.

Improvements to coverage of building and construction occupations under the MR Scheme should be the subject of a review led by the Federal Government.

Recommendation 8.

An agency within the Federal Government should be established with the view to improve oversight, adoption, consistency and usability of the MR Scheme.



Queensland Olympic Games fast approaching and a considerable volume of building and construction work ahead for the state, building and construction industry professionals and trades should be prioritised.

Question 9.

How do delays, differences in regulatory approaches, and local law requirements between jurisdictions undermine the effectiveness of mutual recognition schemes? Can you provide case studies? How could jurisdictions improve alignment without reducing safety or consumer protections?

Regulatory approaches have a significant impact on the success of the MR Scheme in practice. For example, we are aware of regulators in some jurisdictions that have made multiple attempts to prevent its use, including taking legal action.¹

Additionally, some states take a more active approach to notification and oversight than others, particularly with respect to AMR, which also introduces inconsistency and ambiguity for those attempting to utilise the framework.

For example, while a builder may be able to commence work in another jurisdiction immediately, they will be required to apply for a home warranty insurance facility in order to build much-needed homes, which is significantly more onerous and time-consuming than the AMR notification. It is also highly likely that the builder will be considerably constrained in their ability to carry out work by the insurance cap. When compared to their ability to carry out work in their home state, it is questionable whether it is even worthwhile for the builder to carry on their business interstate.

Home warranty insurance

As with the licensing framework, the disparity between home warranty insurance schemes creates a further hurdle for builders working interstate. The requirement to obtain a home warranty insurance facility can be onerous and costly in itself but having to meet two sets of different requirements represents a significant and arguably unnecessary level of additional red tape. It could be said that removing the home warranty insurance barrier is a substantial piece in completing the MR puzzle.

Further thought should be given to the utilisation of existing eligibility for home warranty insurance in a licence holder's home state to meet public protection requirements or fast-track eligibility for a facility in a host state.

Potentially even better yet, work carried out in another state by a licence holder utilising the AMR scheme could be covered by their home state scheme, subject to an agreement between state governments and insurers. While the differences may seem insurmountable, it is only with innovative thinking and an open mind that the MR Scheme was conceived to address a similar challenge. Why not apply a similar lateral approach to investigating constraints with home warranty insurance.

Recommendation 9.

Home warranty insurance eligibility and coverage should be considered as a part of a MR Scheme review, with the view to further improving licence portability while upholding levels of consumer protection.

¹ See, e.g. *Victorian Building Authority v Andriotis* [2019] HCA 22.



Safety

The workplace health and safety (WHS) laws are predominantly harmonised or otherwise considerably aligned across the states, including the state-specific laws in Victoria. If a worker using AMR was to comply with the laws in their home state, it is unlikely that they would place another worker or other person in such a different position such that workplace safety would be undermined. Regardless, the duties of the persons conducting a business or undertaking (PCBUs) also require them to coordinate and communicate with workers and other shared duty holders, as well as provide information, supervision and training to workers, adding a further layer of protection.

Experience of workers

Question 10.

How much time or resources do workers and/or employers spend understanding their obligations under Australia's mutual recognition schemes? Have workers and/or employers been deterred from obtaining work in other jurisdictions because of the time or costs involved in the mutual recognition process?

Given the complexity and barriers in certain jurisdictions it is entirely possible that workers and businesses have been deterred from using the MR Scheme.

Additionally, the lack of any portability of business licences represents a significant barrier for small businesses who are established as a company in their home state, requiring them to set up as a sole trader should they wish to carry on their business interstate.

One example is a licensed builder from NSW hoping to carry out some commercial projects in the Northern Territory. The first roadblock he faced was to do with the requirement for a specific licence to undertake commercial building work in NT, where there is no such requirement in NSW.

He then decided to obtain an NT domestic licence instead; however, he had problems having his NSW licence recognised due to the condition on his NSW individual licence which stated his licence was “not for contracts requiring home building compensation insurance”. This is a result of his business being structured as a company, with its own contractor licence and home building compensation fund (HBCF) eligibility.

As HBCF eligibility is used in lieu of financial checks for licence applications or renewals, this also created an impasse for the builder in obtaining MR in NT.

Again, with the upcoming Olympics, it is likely time to review the MR Schemes to identify opportunities for expansion of framework to allow for portability of business licences, which would allow small businesses to more easily work across borders.

Recommendation 10.

Opportunities to utilise the MR Scheme for business licences should be considered, where the risk profile is low and where portability supports the objectives of the scheme.



Question 11.

How do notification requirements under AMR affect workers' ability to accept short-term or urgent work?

HIA is not aware of any hurdles created by notification requirements, which appear to be predominantly set up to support immediate commencement of work following notification.

However, in keeping with Recommendation 5, there is scope for further plain language resources across all jurisdictions to improve clarity, including the type of information required as a part of notification. Standardised, centrally available resources would be of benefit to workers attempting to utilise the MR Scheme, providing a single source of truth, however this would require greater alignment across notification requirements and platforms.

Building on this idea, a central system of notification may further improve the notification process, as well as reducing the quantum of additional hoops for MR Scheme users in certain jurisdictions. For those workers requiring a higher level of portability, for example a tradesperson who works for a large business operating across the entire eastern seaboard (assuming improved participation). A central system may allow them to notify once for AMR in multiple states.

Recommendation 11.

A centralised system of notification could form part of a strategy to improve data sharing or transition towards a fully centralised licensing system.

Question 12.

What regulatory practices or tools have most effectively supported workers to navigate MR or AMR?

First and foremost, facilitating better participation in the MR Scheme is the most effective initial step in supporting workers to navigate the scheme. States continuing to abstain for participation in all or part of the scheme is an unacceptable outcome and undermines its core intent.

Additionally, workers and other participants are supported by:

- Reduced complexity in scheme processes
- Minimal notification requirements
- Minimal additional, state-specific requirements
- Clear guidance and readily available support, including for businesses and consumers looking to engage an interstate licence holder

Question 13.

What aspects of Australia's mutual recognition schemes are most difficult to understand or contain the most significant information gaps?

The issues causing the greatest amount of confusion appear to be the different state licensing requirements, inconsistent scheme coverage and state-specific exclusions. There is very little information available to explain the cause and impact of these circumstances and as a result, the hurdles in navigating the scheme are not properly understood.



For example, if it is unclear to a prospective AMR user that their current licence (or lack thereof) is not directly transferable to allow them to work in another jurisdiction, they will not know to consult the Ministerial Directions or otherwise make other enquiries prior to progressing further.

Opportunities to strengthen and streamline

Question 14.

Have Australia's mutual recognition schemes remained fit-for-purpose over time, and is the MR Act sufficiently flexible to achieve its intended purpose as occupations and licensing regimes evolve?

For example:

- (a) Do the schemes work effectively for occupations that require online/remote, interstate work?***
- (b) Do the schemes work effectively for occupations experiencing rapid structural or technological change?***
- (c) Do the schemes work effectively for licensing regimes based on skills or competencies (rather than occupations)?***

We refer to our response to Question 10 and call for a review of the MR Schemes to better facilitate small businesses in a company structure to utilise the MR Scheme to carry out building or trade work across state borders using their home-state licence.

Question 15.

How could data collection be improved to support evidence-based regulation of MR and AMR?

Data sharing or a centralised system for licensing data would introduce efficiency and address non-compliance or deliberate circumvention of the licensing frameworks. It may also provide regulators with a greater level of certainty to reduce disparity in application and dispel concerns around fraudulently obtained licences.

Additionally, incidents of misuse and non-compliance could be more easily shared, whether related to the licence or licence-holder in their home state, or interstate, or otherwise in relation to the use of the MR Scheme.

Question 16.

Are any aspects of the MR Act (including provisions governing AMR) hindering the effectiveness of mutual recognition schemes? If so, could you provide data or case studies to explain these issues?

At this stage, we are not aware of any specific aspects of the MR Act that are hindering the effectiveness of the schemes.

Question 17.

What are the practical steps and transition arrangements required to remove unnecessary occupational licensing barriers to a national labour market?

Transitional arrangements will be necessary to support MR Scheme users to adapt to any changes, but the duration will depend largely on the changes proposed and their potential impacts. Delayed commencement and transitions must form part of any regulatory RIA undertaken.

Transitional arrangements must also be accompanied by strong education, information and communications, and we refer to our response to Question 1, Finding 9.



Recommendation 12.

Transitional arrangements will be necessary but will depend on the scope and type of changes proposed. Further consultation and analysis will be necessary to determine the appropriate approach to implementation to minimise any adverse impacts on industry.

The potential for a national licensing framework

Question 18.

Which occupations would benefit from moving towards a national licensing framework compared to MR or AMR? Please explain why.

(a) What characteristics of these occupations make them suited to national licensing?

(b) What risks would need to be managed in moving to a national licensing model?

Our position on a harmonised approach to licensing for the residential building industry is set out in detail in our submission on the [National Competition Policy review](#).

National harmonisation which simply seeks to mandate one or more states to unjustifiably increase their current regulation stringency for the sake of consistency alone is not a reduction in red tape and should not be put for as such.