

# Submission

## **Review of Australia's Mutual Recognition Schemes for Workers – Round 2**

**May 2026**



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National Competition Council – May 2026

### 1. Feedback on Interim Findings

NECA supports a number of the Council's interim findings, particularly those relating to the limitations of Automatic Mutual Recognition (AMR), the importance of regulatory alignment, and deficiencies in information sharing between jurisdictions. Findings 2, 5, 7, 8, 9, 11 and 14 are broadly consistent with the experience of the electrical contracting industry.

In particular, the finding that AMR effectiveness is constrained by occupational exemptions and inconsistent jurisdictional participation is strongly supported. Electrical occupations are among the most heavily exempted from AMR, materially limiting the scheme's ability to deliver meaningful labour mobility benefits.

Similarly, the finding that mutual recognition operates most effectively where regulatory frameworks are aligned reflects the reality that differences in licensing thresholds, competency assessment models and licence conditions create uncertainty and duplication for employers operating across jurisdictions.

NECA does not oppose the general conclusion that mutual recognition schemes are working well overall, however would qualify this by observing that entrenched jurisdictional difficulties confronting specific vocations will remain unresolved in the absence of meaningful reform. Further, the general success does not reflect the experience of safety-critical trades such as electrical, where structural differences between licensing regimes undermine the utility of the recognition frameworks and the protection of consumers.

### 2. Productivity, Workforce Participation and Skills Shortages

There is limited empirical data demonstrating that mutual recognition or AMR has delivered measurable productivity gains in the electrical sector. This is primarily a reflection of broader data limitations, rather than evidence that impacts are negligible.

In practice, the electrical industry is characterised both by the deployment of **large, transient workforces** to deliver on contracts for major construction and infrastructure projects, and localised cross border businesses or specialists contractors that non-the less have to ensure that deployed tradespeople have the license to work.

However, this requirement must be balanced with the need to ensure that workers are **appropriately licensed and compliant with local regulatory frameworks**, particularly given the safety-critical nature of electrical work.

The current mutual recognition system does not effectively strike this balance. Instead, it creates a fragmented regulatory environment in which workforce deployment is slowed by exemptions, inconsistent licensing requirements and administrative complexity. At the same time, regulators cannot reliably assure themselves that incoming workers meet local expectations of competency and compliance.

As a result, rather than facilitating productivity, the system often introduces **friction at precisely the points where labour mobility is most critical**, including during peak construction periods and large-scale project delivery. This undermines the intended objective of supporting a seamless national labour market.

### 3. Safety and Quality Outcomes

There is no comprehensive national dataset enabling a direct comparison of safety or quality outcomes between locally licensed workers and those operating under mutual recognition schemes.

However, the absence of such data should not be interpreted as evidence that outcomes are equivalent. NECA considers that there are **credible and material concerns regarding the effectiveness of licensing and enforcement regimes in certain jurisdictions**.

In particular, experience indicates that enforcement activity in some jurisdictions, most notably New South Wales, lacks sufficient transparency and detail. There is limited publicly available information regarding compliance outcomes, disciplinary action or systemic enforcement trends. This makes it difficult for industry, regulators and consumers to assess whether licensing systems are effectively maintaining safety standards.

This presents a fundamental issue for mutual recognition. The framework relies on an assumption that all participating jurisdictions maintain comparable levels of regulatory effectiveness. Where enforcement outcomes are not visible, measurable or demonstrably robust, that assumption cannot be substantiated.

The issue is therefore not simply one of data availability, but of **demonstrated regulatory performance**. Where such performance cannot be clearly evidenced, confidence in mutual recognition arrangements is necessarily reduced, reinforcing the rationale for exemptions in high-risk occupations such as electrical work.

### 4. Jurisdiction Hopping and Licence Uplifting

Jurisdiction hopping and licence uplifting are a foreseeable consequence of **material differences in how competency is assessed across jurisdictions**.

A clear example is the contrast between Victoria and other jurisdictions such as New South Wales. Victoria requires candidates for an unrestricted "A-grade" electrical licence to complete an **independent, regulator-approved assessment of theoretical knowledge and practical competence**, providing an objective and standardised verification of capability.

By comparison, jurisdictions such as New South Wales rely primarily on the completion of nationally recognised training delivered through Registered Training Organisations (RTOs), without an equivalent independent licensing examination.

Importantly, the associated risk is **not confined to a small number of predatory or low-quality private providers**. Rather, the structure of the training system can create **systemic incentives for RTOs to sign off competencies based on limited or questionable evidence**, influenced by commercial pressures, completion rates or funding arrangements. As a consequence, individuals may obtain qualifications that satisfy formal requirements, but do not reflect a **genuine understanding of the diligence, judgement and disciplined practice required to safely perform electrical work**.

In this context, mutual recognition effectively requires jurisdictions with more rigorous, independently verified licensing systems to place trust in outcomes produced under less consistent assessment frameworks. This creates a strong incentive for jurisdiction hopping, whereby individuals seek licensing pathways perceived as less demanding.

The issue is therefore structural. It reflects **fundamental inconsistency in how competency is assured across jurisdictions**, compounded by variability in training quality, and is not something that mutual recognition mechanisms alone can resolve.

## 5. Training Quality and Fraudulent Credentials

Mutual recognition schemes rely on the originating jurisdiction's assessment of competency and are not designed to test training quality or detect fraudulent credentials. [Mutual Rec...n Paper #2 | PDF]

Where initial licensing requirements and assessment standards vary, these differences are effectively carried across jurisdictions through mutual recognition.

In the absence of consistent and robust entry requirements, the integrity of the system depends on regulators taking effective and visible enforcement and disciplinary action to identify and address deficiencies in competence. If enforcement frameworks are weak, opaque or inconsistent, there is a risk that poor training outcomes will persist and spread, undermining both safety and confidence in the licensing system.

Accordingly, mutual recognition can only operate effectively where it is supported by either strong, independently verified licensing standards at entry and/or credible and consistent enforcement regimes across jurisdictions.

## 6. Consumer Access to Information

Consumers currently have limited ability to verify the competency and compliance history of licensed workers operating across jurisdictions. This reflects the absence of a national or interoperable licensing register, resulting in fragmented and incomplete information. [NCC Mutual...ission\_new | Word]

Even where a licence holder is subject to regulatory scrutiny or disciplinary action in one jurisdiction, **inconsistent disciplinary frameworks and limited coordination between regulators** mean that this information is not always visible or effectively acted upon elsewhere. As a result, individuals who have been subject to enforcement action may continue to operate in other jurisdictions with limited oversight.

This lack of transparency and coordination undermines consumer protection by:

- preventing regulators, employers and consumers from forming a complete view of a licence holder's compliance history; and
- enabling regulatory gaps to persist across jurisdictional boundaries.

In this context, the absence of a nationally consistent and accessible record of enforcement outcomes represents a **significant weakness in the current system**, limiting the effectiveness of both mutual recognition and broader licensing frameworks in protecting consumers.

## 7. Additional Constraints on Effectiveness

The effectiveness of mutual recognition is further constrained by inconsistent continuing professional development requirements, differing licence conditions and the application of local regulatory requirements such as endorsements and insurance obligations. These factors add complexity and reduce the practical benefits of mutual recognition.

## 8. Proportionality of Exemptions

Exemptions applied to electrical occupations reflect legitimate safety concerns but also highlight a deeper structural issue. Regulators are reluctant to rely on mutual recognition where licensing systems are not aligned or where enforcement effectiveness cannot be assured.

Exemptions should therefore be understood as a **consequence of systemic inconsistency**, rather than an over-application of regulatory caution.

## 9. Delays, Regulatory Differences and Local Laws

Differences in regulatory approaches and local law requirements undermine the effectiveness of mutual recognition by imposing additional administrative steps on interstate workers.

These requirements introduce delays, increase costs and reduce the ability of businesses to respond efficiently to labour demand, particularly in time-sensitive project environments.

## 10–13. Experience of Workers

Workers and employers face a complex and fragmented system when navigating mutual recognition requirements. Understanding obligations across jurisdictions requires significant time and effort, often necessitating dedicated administrative resources within businesses.

Notification requirements under AMR can introduce additional uncertainty, while inconsistent guidance across jurisdictions contributes to confusion. Information gaps relating to licence equivalence, compliance obligations and enforcement history further increase compliance burden and risk exposure.

## 14–17. Opportunities to Strengthen and Streamline

Mutual recognition schemes are not fit-for-purpose for electrical occupations. They rely on assumptions of equivalence that do not hold in practice and are not capable of addressing underlying differences in licensing systems.

Improvements should focus on:

- enhanced data collection linking licensing pathways, enforcement and safety outcomes
- improved information sharing between regulators
- greater alignment of licensing requirements

However, incremental reform is unlikely to fully resolve structural issues. A staged transition toward more consistent national arrangements is required.

## 18. National Licensing Framework

Electrical occupations are well suited to a national licensing framework due to their:

- high mobility
- safety-critical nature
- common jurisdiction reliance on nationally recognised technical standards
- current exposure to extensive AMR exemptions

A national framework would provide a consistent benchmark for competence, licence scope and enforcement, removing the need for reliance on mutual recognition between divergent systems.

## Conclusion

The evidence indicates that mutual recognition schemes are not achieving their intended objectives for electrical occupations. Structural differences in licensing systems, variability in training quality, limited enforcement effectiveness and transparency, and widespread exemptions all constrain their effectiveness.

For safety-critical trades - labour mobility, consumer protection and productivity cannot be reliably achieved through recognition of inconsistent systems.

A national licensing framework offers a more effective and enduring solution by establishing a single, consistent standard for competency, oversight and mobility.

To arrange a meeting or discuss this proposal further, please contact:

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