



**Australian Government**  
**Productivity Commission**

# Review of Mutual Recognition Schemes

Productivity Commission  
Research Report

January 2009

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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](http://www.pc.gov.au)) or by contacting Media and Publications on (03) 9653 2244 or email: [maps@pc.gov.au](mailto:maps@pc.gov.au)

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## Terms of reference

### 2008 REVIEW OF THE MUTUAL RECOGNITION AGREEMENT AND THE TRANS-TASMAN MUTUAL RECOGNITION AGREEMENT

I, CHRIS BOWEN, Assistant Treasurer, under part 3 of the *Productivity Commission Act 1998*, hereby:

1) The Commission is to:

a) assess the coverage, efficiency and effectiveness of the MRA and TTMRA since the Commission's 2003 Review, with particular attention to:

i) the implementation of the 2003 review findings;

ii) matters identified by the Cross Jurisdictional Review Forum; and

iii) matters identified by the COAG Skills Recognition Steering Committee.

b) assess how the administrative provisions (such as the annual roll-over of the special exemptions under the TTMRA) can be amended and/or enhanced to support the more efficient operation of the MRA and/or TTMRA;

c) examine whether any components of overseas models of mutual recognition or any other changes might be made to enhance the functioning of the MRA and TTMRA;

d) explore any possible implications for the operation of the TTMRA arising from participating jurisdictions' bi-lateral engagement with third countries.

2) In undertaking the research study, the Commission is to consult relevant stakeholders in Australia and New Zealand, including with the Cross-Jurisdictional Review Forum and the COAG Skills Recognition Steering Committee.

3) The Commission's research findings 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.

CHRIS BOWEN

[Received 10 April 2008]



**The Hon Chris Bowen MP  
Assistant Treasurer  
Minister for Competition Policy and Consumer Affairs**

**09 JAN 2009**

**Mr Gary Banks AO  
Chairman  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601**



Dear Mr Banks,

Thank you for your letter of 24 November 2008 requesting an extension of the reporting date for the Productivity Commission's review of the Mutual Recognition Agreement and the Trans-Tasman Mutual Recognition Agreement.

I agree to the extension you have requested and the Commission should now report to the Government, and present its research findings to the Australian Heads of Government and the New Zealand Prime Minister, by 4 February 2009.

I look forward to receiving a copy of the Commission's final report.

Yours sincerely,

  
**CHRIS BOWEN**

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# Foreword

The Mutual Recognition Agreement and the Trans-Tasman Mutual Recognition Arrangement are innovative mechanisms for reducing the costs of regulatory differences among Australian jurisdictions and between Australia and New Zealand.

In this second five yearly review of the schemes, the Commission found that the schemes had brought benefits through increased mobility of labour and merchandise, but that there remained scope to further enhance their operations. Key areas are: bringing greater certainty to the way the schemes operate in relation to occupations; and facilitating interactions between regulators, governments, tribunals and the public.

In conducting its review, the Commission consulted with a wide range of stakeholders from industry, government and the community in both Australia and New Zealand. The study benefited from the preparedness of all parties to engage in an open and constructive dialogue.

The Commission acknowledges in particular valuable input received from the New Zealand Government and its agencies. The Commission is also grateful to the New Zealand Ministry of Economic Development for seconding to it one of its senior officials.

The study was headed by Commissioner Judith Sloan, with assistance from a staff research team managed by Patrick Laplagne.

Gary Banks AO  
Chairman  
January 2009



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# Abbreviations

PC	Productivity Commission
AAT	Administrative Appeals Tribunal
ABS	Australian Bureau of Statistics
ACG	Allen Consulting Group
ACMA	Australian Communications and Media Authority
AGS	Australian Government Solicitor
agvet	agricultural and veterinary
AIT	Agreement on Internal Trade
ADR	Australian Design Rule
ANZCERTA	Australia New Zealand Closer Economic Relations Trade Agreement
ANZTPA	Australia New Zealand Therapeutic Products Authority
ANZSIC	Australian and New Zealand Standard Industrial Classification
APEC	Asia Pacific Economic Cooperation
APEC TEL	APEC Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment
APVMA	Australian Pesticides and Veterinary Medicines Authority
AQIS	Australian Quarantine and Inspection Service
ASCO	Australian Standard Classification of Occupations
AUSFTA	Unites States–Australia Free Trade Agreement
CAB	conformity assessment body
CCC	China Compulsory Certification mark
CER	Closer Economic Relations
CGE	Computable General Equilibrium
CHC	Complementary Healthcare Council of Australia

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CJRF	Cross-Jurisdictional Review Forum
COAG	Council of Australian Governments
CoOL	Country of Origin Labelling
CRR	Committee on Regulatory Reform
DECT	Digital Electrical Cordless Telephones
EC	European Commission
ECJ	European Court of Justice
EEA	European Economic Area
EEEMRA	Agreement between New Zealand and China on Cooperation in the Field of Conformity Assessment in relation to Electrical and Electronic Equipment
EEMRA	APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment
EFTA	European Free Trade Association
EMC	Electromagnetic Compatibility
ESA	EFTA Surveillance Authority
EU	European Union
DEEWR	Department of Education, Employment and Workplace Relations
DIISR	Department of Innovation, Industry, Science and Research
FTA	Free Trade Agreement
FSANZ	Food Standards Australia New Zealand
GHS	Globally Harmonised System for the Classification and Labelling of Chemical
GSP	Gross State Product
GTRC	Gas Technical Regulators Committee
HF CB	High Frequency Citizen Band
HFCs	hydrofluorocarbons
IAC	Industries Assistance Commission
IPR	Intellectual property rights
IPTA	Institute of Patent and Trademark Attorneys

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LPG	liquefied petroleum gas
MED	Ministry of Economic Development
MEPS	Minimum Energy Performance Standards
MFN	most favoured nation
MMRF	Monash Multi-Regional Forecasting Model
MRA	Mutual Recognition Agreement
MRSO	Agreement between the Government of Australia and the Government of New Zealand in relation to Mutual Recognition of Securities Offerings
NICNAS	National Industrial Chemicals Notification and Assessment Scheme
NZ–China FTA	New Zealand–China Free Trade Agreement
NZIER	New Zealand Institute of Economic Research
ODS	ozone-depleting substances
PRET	Agreement between the Government of Australia and the Government of New Zealand on Trans-Tasman Court Proceedings and Regulatory Enforcement
RIS	regulation impact statement
RSA	responsible service of alcohol
SEM	Single Economic Market
SGG	synthetic greenhouse gas replacements
SITC	Standard International Trade Classification
SSAN	security sensitive ammonium nitrate
TILMA	Trade, Investment and Labour Mobility Agreement between Alberta and British Columbia
TTMRA	Trans-Tasman Mutual Recognition Arrangement
TTOT	Trans-Tasman Occupations Tribunal
UNECE	United Nations Economic Commission for Europe