

28 July 2015

Mutual Recognition Schemes Study
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Sent via email to: mutual.recognition@pc.gov.au

Dear Commissioner,

Master Electricians Australia welcomes the Productivity Commission's Mutual Recognition Schemes Draft Report and appreciates the opportunity to provide further comment.

Master Electricians Australia (MEA) is a dynamic and modern trade association representing electrical contractors. A driving force in the electrical industry and a major factor in the continued success and security of electrical contractors, MEA is recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. The organisation's website is: www.masterelectricians.com.au.

MEA provided a comprehensive response to the Issues Paper on Mutual Recognition Schemes and continue to support the submissions we put forward. We are pleased that many of our recommendations are reflected in the Draft Report.

Following the release of the Draft Report, we wish to make the following additional comments regarding the issues raised.

Governance arrangements

We believe that the Productivity Commission's decision to focus on improving the governance arrangements for a mutual recognition scheme will contribute to the development of a high quality scheme.

Major obstacles to the success of the existing mutual recognition system are the jurisdictions that do not recognise a particular licence or who impose additional eligibility criteria on those applying from another jurisdiction. This defeats the purpose of such a scheme by adding a further layer of red tape for tradespeople wanting to operate across state lines.

To overcome this issue, MEA would support the creation of a federal government body, similar to the existing, but underutilised, Ministerial Councils, which would be responsible for overseeing the mutual recognition scheme. To be effective, such a body would need to hold the overarching power to require state governments to adhere to the requirements of a mutual recognition scheme either with penalties or other measures.

We appreciate that some states will disagree with licensing criteria under a mutual recognition scheme. However, instead of these jurisdictions not participating or imposing additional criteria, any licensing criteria disputes could be referred to the new federal body. A determination on the relevant licensing criteria could then be made and any changes would apply to all jurisdictions. This would ensure licensing criteria is kept to the highest standard, whilst also adhering to the intent of mutual recognition legislation.

If agreement cannot be made by all jurisdictions to participate in the scheme, it may be necessary for the new federal body to require all states and territories to implement a mutual recognition system. Section 51 of the Constitution relevantly states that:

“The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to:-

(i.) Trade and commerce with other countries, and among the States;

...

Given that contractors working across state lines are engaged in commerce, this provision may allow the Federal Government to legislate for all states and territories to participate in a mutual recognition system. Ideally this would not be necessary; however, this may be a means to achieve the required end of improving interjurisdictional movement of skilled workers.

We continue to be eager participants in any further consultations on this important issue for the electrical industry.

Yours sincerely,

Malcolm Richards
CEO