

Jason McDonald
First Assistant Secretary
Deregulation Taskforce
Department of the Prime Minister and Cabinet

Via email - OccupationalMobility1@pmc.gov.au

Automatic Mutual Recognition of Occupations

Dear Mr McDonald

Thank you for the invitation to provide a submission on proposed legislative amendments to the *Mutual Recognition Act 1992* that would enable Automatic Mutual Recognition of Occupations to commence from 1 July 2021.

By way of background, CCF National (CCF) is the peak employer body representing over 1,900 companies engaged in the civil construction industry in Australia. CCF Members are responsible for the construction and maintenance of Australia's infrastructure, including roads, bridges, pipelines, drainage, ports and utilities.

CCF's comments on the Bill should be taken in conjunction with the feedback CCF provided the Department of Prime Minister and Cabinet on Monday 8 February 2021 as part its Automatic Mutual Recognition Scheme Building & Construction - Property & Technical Services roundtable. At this roundtable, CCF provided the following feedback:

- Concern at the prospect of ministers being able to arbitrarily declare exemptions from the Scheme if they believe there is a significant risk to consumer protection or health. **(see recommendation below).**
- The human resourcing challenge faced by many local government areas, particularly in regional areas, to deliver civil construction projects.
- The national nature of the construction industry and how many companies operate across state borders. In this context, labour must be able to follow the projects in a seamless and efficient way to reduce construction and tendering costs.
- The need for PMC to consult with the Department of Education and VET providers to discuss potential implications.
- Whether an international worker's 457 visa is regarded as a 'home state', thereby granting that worker automatic registration in other states.

As a general policy principle, CCF is supportive of legislative reforms that remove unnecessary red tape. This includes reforms to achieve greater legislative uniformity between jurisdictions where a nationally consistent approach strengthens the civil construction industry's foundations and puts it on a stronger and more sustainable footing.

CCF has reviewed the *Mutual Recognition Amendment Bill 2020 (the Bill)* and is supportive of the Bill's intent to make it simpler, quicker and less expensive for people to work across jurisdictions.

This support is in light of the civil construction industry's national footprint, cross-border exposure and sizeable national workforce. It is estimated that the infrastructure industry employs more than 1 million Australians and the implementation of reforms that improve worker mobility and enable them to move more seamlessly between projects (and at less cost) is critical to achieving a more efficient delivery of Australia' infrastructure pipeline. This

is particularly important in the context of responding to the economic impact of the Coronavirus, and the Government's commitment to embark on an 'Infrastructure-led recovery'.

As such, CCF supports the majority of the Bill's key elements.

CCF wishes to raise however its concerns in relation to the following element of the Bill: Part 3A, Division 3, 42R *Exempting registrations because of significant risk to consumer protection etc.* This provision allows a Minister to declare that specific registrations are exempt from automatic deemed registration in their jurisdiction where they determine there is a significant risk to consumer protection, or the health or safety of workers or the public.

CCF notes the declaration must include a statement explaining the risk to consumer protection or the health or safety of workers or the public. Despite this requirement, CCF holds strong reservations in relation to this legislative provision.

It is conceivable – and perhaps inevitable – that the approach taken by Ministers will vary when declaring specific registrations are exempt from automatic deemed registration, as their jurisdictions' views as to what constitutes a significant risk to consumer protection, or the health or safety of workers or the public will vary between states and territories.

CCF acknowledges a Minister's ability to impose a restriction on health and safety grounds is a necessary requirement, but believes the decision-making framework underpinning this unilateral decision-making ability requires further work.

CCF notes the Council of Australian Government's publication *Guide for Ministerial Councils and National Standard Setting Bodies*, which states 'Good regulation should attempt to standardise the exercise of bureaucratic discretion, so as to reduce discrepancies between government regulators, reduce uncertainty and lower compliance costs'¹.

Recommendation

CCF recommends that before the legislation comes into effect on 1 July 2021, jurisdictions should be required to develop and adhere to a nationally agreed and consistent policy that clearly defines the criteria that would allow exemptions to activities that may pose a risk to consumer protection or the health and safety of workers or the public.

CCF believes the development of a nationally consistent framework would support the Government's broader deregulation agenda by ensuring jurisdictions adopt an agreed and consistent approach to exemptions, which would have the added industry benefit of minimising unjustified compliance burden and costs.

Please do not hesitate to contact me if you wish to discuss the contents of this submission further.

Yours sincerely



Chris Melham
Chief Executive Officer
Civil Contractors Federation

¹ Council of Australian Governments Best Practice Regulation – A Guide for Ministerial Councils and National Standard Setting Bodies – October 2007