



**MASTER BUILDERS
AUSTRALIA**

Review of Australia's Mutual Recognition Schemes for Workers

National Competition Council

22 May 2026



WHO WE ARE

Master Builders is the nation's peak building and construction industry association, which was federated on a national basis in 1890. Master Builders' members are the Master Builder State and Territory Associations. Over 130 years, the Master Builders network has grown to more than 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors: residential, commercial, and civil construction.

The Master Builders network also delivers vocational education and training through its network of registered and group training organisations across Australia. This includes trade qualifications in building and carpentry as well as ongoing professional development training.

Membership with Master Builders is a stamp of quality, demonstrating that a builder values high standards of skill, integrity, and responsibility to their clients.

Master Builders' vision is for a profitable and sustainable building and construction industry.

Executive Summary

Master Builders Australia welcomes the opportunity to respond to the National Competition Council's Interim Findings on the Review of Australia's Mutual Recognition Schemes for Workers. We commend the Council for the thoroughness and candour of its analysis, and for articulating findings that closely align with the longstanding concerns of the building and construction industry.

The interim findings confirm a central tension that Master Builders has long observed: mutual recognition and automatic mutual recognition schemes are frameworks that facilitate movement, but they cannot substitute for the two foundations that actually determine workforce productivity and mobility: training quality and jurisdictional governance. Fixing the mechanics of MR and AMR while leaving those foundations unreformed is a system that moves faster toward an uncertain destination.

BuildSkills Australia has estimated a need for approximately 116,700 additional workers to meet National Housing Accord targets, while Infrastructure Australia has estimated an additional 300,000 workers are needed across the infrastructure sector. Master Builders' position is that these workforce gaps cannot be closed by licensing scheme reform alone. The deeper constraints are the quality and accessibility of pathways into licensed trades, particularly Recognition of Prior Learning, and the absence of effective governance mechanisms that give jurisdictions both accountability and the tools to align regulatory frameworks over time.

Master Builders broadly supports the interim findings. Our response is structured to address each of the Council's 18 consultation questions, drawing on member experience and the broader evidence base where available. Our overarching position is that a national licensing framework, while an appropriate long-term aspiration for key construction occupations, is a product of the foundational reforms that must come first: accessible, quality-assured RPL pathways; strong and transparent jurisdictional governance; and a national information and data infrastructure. The Council's final report should sequence these accordingly.

Key Recommendations:

Quality and RPL Reform

1. A national standard for RPL assessment in high-risk construction trades should be developed collaboratively by ASQA, BuildSkills Australia, and industry bodies including Master Builders, with adoption required of all RTOs delivering relevant qualifications. This is the single highest-impact reform available to industry and government working together.
2. ASQA's enforcement capacity in relation to construction trade qualifications should be reviewed and strengthened, with enhanced data sharing between ASQA and jurisdictional licensing regulators so that concerns about underlying qualification quality can be identified and acted upon.

A competency-based licensing framework for building contractors, responsible practitioners, and high-risk licensed occupations should be developed in parallel with RPL reform, with national RPL standards forming the foundation for portable, jurisdiction-neutral competency assessment. This framework should not extend licensing obligations to general construction workers or employees beyond those already subject to occupational licensing requirements.

Jurisdictional Governance and Transparency

3. A standing coordinating licensing body for building and construction should be established that reports to ABMM and CFFR. Its mandate should include: maintaining and updating

equivalence frameworks; overseeing RPL standard consistency; monitoring alignment commitment compliance; and publicly reporting on jurisdictional performance annually.

4. Mandatory transparency reporting should be a condition of participation in MR and AMR for all jurisdictions, covering exemption justifications, processing times, alignment progress, and RPL standard implementation. Public reporting is the accountability mechanism.
5. The Shergold-Weir Report Recommendations 1, 2 and 5 should be fully implemented across all jurisdictions. The standing body should be empowered to report on the status of implementation and escalate persistent non-compliance.

Information Infrastructure

6. A national interoperable licensing register with a public-facing search function should be established as a priority investment, enabling real-time cross-jurisdictional licence verification, visibility of disciplinary history, and consumer access to practitioner information.
7. A Commonwealth-maintained national information portal for MR and AMR should be established within 12 months, providing occupation-specific, jurisdiction-specific guidance in plain language.
8. Ministerial Declarations should be replaced with dynamic digital equivalence frameworks maintained by the standing body, updated in real time as licensing regimes evolve.

Scheme Improvements

9. AMR notification requirements should be waived for emergency and disaster response work, with retrospective notification permitted within a defined period.
10. The MR Act's 'home state' definition (s.42B) should be amended to allow AMR to operate from any jurisdiction in which a person holds a valid licence, subject to notification requirements.
11. The MR Act's exemption framework should require that exemptions be supported by documented, publicly available evidence of proportionate safety or consumer protection risk, subject to periodic independent review by the standing body.

National Licensing (Downstream)

12. National licensing should be pursued as a long-term outcome for electricians, engineers, building surveyors, plumbers, and general building work contractors — sequenced to follow the establishment of quality foundations and governance architecture, not to precede them.
13. Firm-level registrations for building contractors should be incorporated within any national licensing framework for the sector.
14. A national data collection framework covering MR and AMR volumes, processing times, complaints, disciplinary actions, RPL pathway usage, and downstream quality indicators should be established as part of the national register.

Response to Interim Findings

Master Builders provides the following responses to the Council's 14 interim findings. We identify which findings we support, where we have qualifications, and where we believe the findings should be strengthened in the final report.

Master Builders' Response to 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.*

Conditionally supported. Master Builders agrees that MR and AMR have delivered partial benefits, particularly for short-term, surge, and cross-border project labour in the building and construction sector. The schemes have demonstrably supported the deployment of electricians and plumbers during infrastructure peaks and natural disaster recovery.

However, 'working well for some occupations' must not be read as working adequately for building and construction. The sector's complexity, which includes multiple licence classes, differing consumer protection regimes, and the high-risk nature of the work, means that even modest inconsistencies generate disproportionate barriers.

Critically, the scheme's effectiveness is constrained not only by its own mechanics, but by the quality and accessibility of the training pathways that lead to licensing in the first place. Where RPL is difficult to access or inconsistently assessed, workers with genuine competency cannot easily convert experience into a licence, and MR reforms cannot compensate for that upstream failure.

Crucially, this requires a nationally consistent approach to quality training recognition and RPL.

The final report should make explicit that building and construction is one of the sectors where current arrangements are least effective relative to the sector's mobility needs, and that addressing this requires parallel action on training quality and jurisdictional governance.

Master Builders' Response to 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.*

Partially supported. This finding correctly identifies structural limitations in AMR, and Master Builders does not dispute the finding's diagnosis. However, we caution against treating AMR expansion, including resolving Queensland's non-participation, as the primary lever for improving workforce mobility in building and construction.

The deeper problem is that jurisdictions' willingness to exempt occupations or decline to participate in AMR is itself a symptom of underlying regulatory divergence. Where training quality is variable, where entry standards differ materially between states, and where there is no standing governance body holding jurisdictions accountable for alignment, AMR expansion becomes a political negotiation rather than a technical step. Resolving these governance and quality

foundations would reduce exemption pressure organically. For instance, jurisdictions are less motivated to exempt occupations when they have confidence in the training and assessment standards underpinning licences issued elsewhere.

Master Builders supports Queensland's full participation in AMR as a worthwhile outcome, but it is not the priority reform. The priority is the quality and governance architecture that makes any mutual recognition scheme credible and sustainable.

Master Builders' Response to 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.*

Agree. The incentive to jurisdiction-hop is a product of divergent entry standards, where one jurisdiction requires more experience, higher qualification attainment, or more rigorous assessment than another. Rational actors will exploit the lowest-friction pathway. This is not primarily a problem with mutual recognition as a mechanism; it is a problem with the quality and consistency of entry standards across jurisdictions.

The structural solution is to harmonise entry standards through robust jurisdictional governance, thereby ensuring that the training and assessment underlying licences are of consistent quality regardless of where they are conducted.

Where RPL is the pathway used, this makes accessible, well-governed RPL even more important: a system with transparent, nationally consistent RPL standards removes the incentive to seek the jurisdiction with the lowest evidentiary bar, because the evidentiary bar is broadly equivalent everywhere.

The finding correctly notes that data is insufficient to determine whether jurisdiction hopping increases safety risks. Master Builders supports the development of national data frameworks that would allow this to be assessed empirically, but regardless of the outcome data, harmonisation of entry standards through quality reform is the right structural response.

Master Builders' Response to 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.*

Agree. The case study of 'Mr S' illustrates a governance failure, not a mobility failure. The mechanism enabling sequential uplifting is the absence of transparent, cross-jurisdictional visibility of a practitioner's licensing history and the lack of a governance body with authority to identify and close this kind of regulatory arbitrage.

The immediate practical response is a national interoperable licensing register: if regulators can verify a worker's full licensing history in real time, the sequential arbitrage that licence uplifting depends on becomes substantially harder to execute. This is a governance and technology investment, not a scheme design question.

The deeper structural response is quality reform. Licence uplifting exploits the gap between what a licence formally requires and what the underlying training actually demonstrates. Where RPL and training assessment are rigorous and nationally consistent, the gap between licence classes narrows, and the incentive to uplift reduces. Both the register and quality reform responses are more targeted than restricting mutual recognition, which would impose costs on the many legitimate mobile workers to address the behaviour of a few.

Master Builders' Response to Finding 5: *Mutual recognition schemes work best where there is a high level of regulatory alignment between jurisdictions.*

Agree. This finding correctly identifies the causal sequence: regulatory alignment enables effective mutual recognition, not the other way around. Pursuing AMR expansion ahead of alignment is treating the symptom, not the underlying issue.

For building and construction, alignment requires two things that are currently absent. First, consistent entry standards grounded in quality-assured training and assessment, including accessible, rigorous RPL pathways that are consistent across jurisdictions. A worker's qualifications and experience should mean the same thing regardless of which jurisdiction assessed them. Second, a standing governance architecture that maintains alignment over time as licensing regimes evolve. Without a body with clear accountability for keeping licence scope, terminology, eligibility and CPD requirements aligned, divergence will accumulate again regardless of any one-off reform effort.

Master Builders recommends the NCC to frame the Shergold-Weir Report Recommendations 1, 2 and 5, which include consistent registration, consistent requirements, and improved regulator collaboration, as the minimum governance baseline. These recommendations are over seven years old. The absence of implementation is itself evidence that the current institutional architecture is inadequate to sustain alignment.

Master Builders' Response to Finding 6: *Application of local laws can undermine the effectiveness of mutual recognition.*

Agree. Master Builders identified this issue in its March 2026 submission to the initial call for submissions and is pleased to see it reflected in the interim findings.

In building and construction, the local law requirements that most commonly create barriers include: insurance and warranty obligations (which vary significantly in scope and quantum across jurisdictions); home warranty insurance requirements in residential construction, which are

administered differently in each state; financial probity and solvency requirements, which may trigger reassessment even where a worker holds a valid interstate licence; and working with children checks, which are not harmonised nationally.

Many of these local law requirements serve legitimate consumer protection purposes. The issue is the absence of mutual recognition of compliance, where a worker who has already met equivalent requirements in their home jurisdiction should not be required to re-demonstrate compliance from scratch in a host jurisdiction.

Master Builders recommends that the final report address local law requirements explicitly, including recommendations for a national framework for mutual recognition of equivalent compliance with insurance, probity and safety check requirements.

Master Builders' Response to Finding 7: *Information sharing between regulators is fragmented and heavily reliant on manual processes.*

Agree. This finding reflects one of the most operationally damaging deficiencies in current arrangements. For building and construction, the consequences are concrete: employers cannot readily verify whether an interstate worker's licence has been suspended or cancelled; disciplinary outcomes in one jurisdiction may not be visible to regulators in another; and workers who have been banned from holding licences in one state may continue to operate in others.

The manual, platform-dependent information sharing arrangements described in the interim findings are inadequate for a sector where defective building work can cost consumers tens or hundreds of thousands of dollars and, in the most serious cases, poses life-safety risks. The QBCC, NSW Fair Trading, and equivalent bodies in other states each maintain separate registers with limited interoperability.

Master Builders supports the establishment of a national interoperable licensing register as a matter of urgency.

Master Builders' Response to 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.*

Agree. Outdated Ministerial Declarations are a practical problem for building and construction businesses operating across state lines. When equivalence is unclear, the default tends to be caution, with either the worker seeking an additional licence or the employer declining to deploy them interstate. Both outcomes add cost and reduce workforce utilisation.

Master Builders supports the development of dynamic, digitally maintained equivalence frameworks as a replacement for static Ministerial Declarations. These should be updated in real time as licensing regimes change, with clear governance arrangements to ensure accuracy and

to resolve disputes about equivalence quickly. Industry should have a formal role in equivalence determinations for building and construction occupations, given the sector-specific knowledge required to assess whether licence classes are genuinely comparable.

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

Agree. Occupation-specific guidance is either absent or difficult to locate; the information that does exist is scattered across multiple jurisdictional websites, with inconsistent content and varying currency.

The case study of 'Sarah' (professional engineer, SA-based, working in NSW and seeking to expand to Victoria) illustrates a dysfunction that is entirely avoidable, where the system's complexity is a product of design failures, not inherent regulatory necessity. Similar case studies could be constructed for virtually any licensed building trade operating across multiple jurisdictions.

Master Builders reiterates its call for a single, federally maintained national information portal for mutual recognition, with occupation-specific guidance, plain-language explanations, and real-time status updates on regulatory requirements. This is a relatively low-cost intervention with potentially high impact on compliance burden for small businesses.

Master Builders' Response to Finding 10: *Data limitations constrain evidence-based regulation and policy reform.*

Agree. Master Builders recommends that the final report include specific recommendations for national data collection frameworks covering: the volume and occupational distribution of MR and AMR movements; complaint and enforcement outcomes linked to licence type and origin; disciplinary action taken by jurisdiction; and insurance claims and defective work complaints linked to licensing status. Without this data, future reviews will face the same evidential deficit.

In the interim, the absence of evidence of harm should not be treated as evidence of no harm. The integrity and completeness concerns identified in Findings 3, 4, 7 and 13 are sufficiently serious to warrant reform even in the absence of outcome data.

Master Builders' Response to 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.

Agree. Master Builders regards the establishment of a national interoperable licensing register and digital licence as important reforms. A national register would address, in a single system, many of the deficiencies identified in Findings 7, 8 and 9: fragmented information sharing, outdated equivalence frameworks, and the compliance burden on workers and employers navigating multiple state systems.

For building and construction specifically, a digital licence could also facilitate real-time verification of licence status at building sites, which could be important for head contractors managing compliance across large workforces, and for certifiers and inspectors who need to verify that workers are appropriately licensed for the scope of work they are performing.

Master Builders notes the Council's observation that views differed on scope, cost and whether technology would address underlying regulatory divergence. We agree that technology is not a substitute for harmonisation; however, it should not wait for harmonisation to be complete. A national register can be designed to accommodate current jurisdictional variation while providing the visibility that enables regulators, employers and consumers to navigate it.

Master Builders' Response to Finding 12: *Stronger institutional arrangements would encourage national regulatory consistency and support enduring reform.*

Agree. Institutional architecture is the mechanism by which quality and alignment are sustained over time. Without it, any reform achieved through this Review will erode as jurisdictions continue to develop licensing regimes independently.

Master Builders' position is that effective jurisdictional governance with clear transparency obligations is a more durable pathway to a national labour market in building and construction than pursuing AMR expansion jurisdiction by jurisdiction. A standing body with real accountability, and empowered to set and maintain alignment standards, publish compliance reporting, and escalate persistent divergence, changes the incentive structure for states and territories in a way that no one-off reform process can.

For building and construction, Master Builders supports the establishment of a standing body empowered to: maintain and update equivalence frameworks; oversee the quality and consistency of RPL standards across jurisdictions; monitor and publicly report on implementation of licensing alignment commitments; and recommend action where jurisdictions fall short. This body should report to the Australian Building Ministers' Meeting and to CFFR, with its annual reporting made publicly available.

Master Builders' Response to Finding 13: *Concerns about training quality and fraudulently obtained credentials cannot be addressed through mutual recognition schemes alone.*

Agree. Training quality reform is a prerequisite for MR reform to be meaningful. The finding correctly identifies that MR takes licensing status as its input. If that input is compromised by poor assessment or fraudulent credentials, the scheme transmits that deficiency nationally rather than containing it.

However, the response to this finding should not be limited to policing poor RTOs. The more important reform is to make RPL accessible, rigorous and nationally consistent. RPL is the most direct pathway for experienced construction workers to obtain formal qualifications without unnecessary duplication of training. Currently, RPL is inconsistent in its availability, variable in its assessment standards, and often burdensome to navigate. Simplifying RPL and improving its quality would expand the supply of qualified practitioners, reduce barriers for workers with genuine competency, and make the qualification underlying a licence more meaningful.

This is an area where industry and government can act together without waiting for intergovernmental agreement on MR scheme mechanics. Master Builders, through its network of RTOs, is committed to rigorous and accessible RPL assessment. A national standard for RPL in high-risk construction trades – developed through collaboration between ASQA, BuildSkills Australia, and industry bodies – would be a practical, high-impact reform that directly addresses both quality and mobility objectives.

Master Builders' Response to 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.*

Conditionally agree. Master Builders agrees that national licensing is an appropriate long-term aspiration for key construction occupations. However, a national licensing framework is not the mechanism by which quality and mobility are improved; it is a downstream product of those improvements. If the training standards, RPL pathways, and governance architecture underpinning licences are not first brought into alignment, a national licensing scheme inherits and entrenches the existing inconsistencies rather than resolving them.

The graduated approach identified in the finding is directionally correct. However, the sequencing should align as follows to maximise efficacy of implementation: the foundational investments are quality reform (accessible, rigorous RPL; consistent training standards; ASQA enforcement capacity in high-risk trades) and governance reform (a standing body with transparency obligations). National licensing follows from those foundations; it does not substitute for them.

In each case, the framework should operate at the contractor, business or responsible practitioner level, consistent with existing licensing structures, and should not create new licensing obligations for employees or general construction workers. Yet the case for national licensing in these occupations will be stronger, and the transition less contentious, when the quality and governance

foundations are in place. The Council's final report should sequence accordingly and assign accountability for each stage of the reform pathway.

Detailed Responses to Consultation Questions

Impact and Effectiveness

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.

Master Builders supports many of the Interim Report's findings, and notes some caveats (see above).

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?

Master Builders acknowledges that quantitative evidence on MR and AMR's productivity impact in building and construction is limited, consistent with Finding 10. The qualitative evidence from member experience points to partial, contingent benefits:

- ▶ During natural disaster recovery events (including Queensland and NSW floods, and the 2020 bushfire recovery), MR and AMR have enabled the rapid interstate deployment of electricians, plumbers and builders. These events demonstrate what a well-functioning mobility framework can deliver under pressure.
- ▶ For infrastructure projects spanning jurisdictional borders, MR and AMR have reduced (though not eliminated) the administrative burden on multi-jurisdictional workforces.

Against these benefits, the sector faces a structural workforce shortfall that scheme mechanics have not resolved. BuildSkills Australia has estimated a need for approximately 116,700 additional workers to meet National Housing Accord targets.

A well-functioning RPL pathway that recognises genuine competency acquired through experience could expand the supply of qualified practitioners more substantially than any adjustment to MR mechanics. A 5 per cent productivity improvement, which is equivalent to approximately 30,000 additional workers, depends on both sides of this equation: reducing scheme friction and increasing qualified practitioner supply through accessible, rigorous pathways into licensing.

Question 3: 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?

Master Builders is not aware of published data that directly compares safety or quality outcomes for MR/AMR workers versus locally licensed workers in the building and construction sector. This reflects the data gap identified in Finding 10.

Master Builders recommends that the Council include in its final report a recommendation for consistent national data collection on complaints, enforcement actions, and rectification orders linked to the licensing status and origin of the practitioners involved.

Question 4: How widespread is 'jurisdiction hopping' or 'licence uplifting'? Is there evidence that these practices are associated with differences in safety or quality outcomes?

The data limitations identified in Finding 10 apply equally here, where there is no national dataset that would allow these practices to be measured with precision. However, the case study of 'Mr S' in the interim findings is not an isolated anecdote: it describes a systemic vulnerability in the MR scheme that any practitioner with knowledge of the system could exploit. Master Builders' members have reported awareness of similar practices in the building trades, particularly in relation to builder registration, where the differences between jurisdictional licence classes and entry requirements are well known within the industry.

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?

Master Builders has not compiled a dataset of cases in which fraudulently obtained credentials have been used to access licensing through MR or AMR in the construction sector. However, Master Builders considers the most important reform in this space is making RPL accessible, rigorous and nationally consistent. RPL is the primary pathway by which experienced construction workers obtain formal qualifications. Currently, RPL assessment quality varies significantly across registered training organisations, is sometimes genuinely rigorous and sometimes perfunctory, and is often difficult for workers to access or understand. This variability is the upstream source of the credential quality problem that MR then transmits across jurisdictions.

A national standard for RPL in high-risk construction trades would simultaneously improve the quality of credentials entering the licensing system and make that pathway more accessible to the many workers with genuine competency who are currently locked out.

Question 6: Is adequate information available to consumers to determine the competency of licensed workers?

Consumer access to meaningful information about the competency and compliance history of licensed building practitioners is inadequate. The current situation is characterised by:

- ▶ Public registers that are maintained separately by each state and territory, with inconsistent content, variable currency, and limited accessibility.
- ▶ An absence of information about disciplinary history in a format accessible to consumers. In most jurisdictions, disciplinary outcomes are not proactively published or are published in a format that is not searchable by consumers.
- ▶ No mechanism for a consumer to determine whether a practitioner they are engaging has been subject to disciplinary action in another jurisdiction.
- ▶ No national standard for what information must be publicly available about a licensed building practitioner.

For consumers engaging a builder for their home, which is often the largest financial transaction of their lives, this information gap is unacceptable. A national licensing register with a public-facing search function, displaying current licence status, licence class and scope, and any current conditions or suspensions across all jurisdictions, is an essential consumer protection measure.

Question 7: Are there any factors not highlighted in the interim findings that are constraining the effectiveness of MR or AMR?

Master Builders draws the Council's attention to three factors that are not addressed, or are addressed only partially, in the interim findings.

First, the accessibility and quality of RPL as a pathway into licensed trades. RPL is the mechanism by which workers convert genuine experience into formal qualifications and those qualifications into licences. Where RPL is difficult to access, inconsistently assessed, or of poor quality, the supply of qualified practitioners is constrained, and the quality of those who do obtain qualifications through this pathway is uncertain. This has direct consequences for both mobility and for the integrity concerns identified in Findings 3, 4 and 13. RPL reform, which includes simplifying access, establishing national standards, and improving assessment consistency, is not addressed in the interim findings but is the highest-impact reform available to industry and government working together.

Second, the absence of transparency obligations on jurisdictions. The interim findings identify regulatory divergence and exemption accumulation as problems, but the governance response in Finding 12 does not fully address the accountability gap. A standing body is valuable only if jurisdictions are required to report publicly on their compliance with alignment commitments. Mandatory transparency reporting, including on exemption justifications, processing times, alignment progress, and RPL standard implementation, would create accountability mechanisms that currently do not exist.

Third, firm-level registrations are not captured by mutual recognition schemes. Building and construction companies frequently require entity-level registrations, including builder registration as a company, home warranty insurance eligibility, security of payment compliance, that are separate from individual worker licences and not subject to MR or AMR. A business expanding interstate must obtain new entity-level registrations even where all its workers are covered by MR or AMR. The Council's final report should acknowledge this gap and recommend it be addressed within any national licensing framework.

Implementation and Alignment

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?

Many current AMR exemptions in building and construction reflect accumulated regulatory conservatism and jurisdictional protectionism as much as evidence-based safety assessment.

However, the more productive question is why exemptions accumulate in the first place. Jurisdictions exempt occupations from AMR when they have low confidence in the training quality and assessment standards of other jurisdictions, when regulatory frameworks are materially divergent, or when there is no standing governance body to resolve disputes about equivalence.

The priority should not be to press for specific occupational inclusions in AMR but to address the underlying conditions that generate exemption pressure. Establishing a standing governance body with transparent reporting obligations, implementing national RPL standards for high-risk trades, and completing the Shergold-Weir harmonisation recommendations would reduce the perceived need for exemptions more durably than case-by-case negotiation.

Question 9: How do delays, differences in regulatory approaches, and local law requirements between jurisdictions undermine the effectiveness of mutual recognition schemes? How could jurisdictions improve alignment without reducing safety or consumer protections?

Delays, regulatory divergence and local law requirements interact to create a compounding burden on building and construction workers and businesses. Examples:

Example 1:

A Queensland-licensed builder seeking to work on a residential project in NSW faces: application processing times of four to eight weeks under traditional MR; a requirement to meet NSW financial probity thresholds, which may differ from Queensland requirements; NSW home warranty insurance obligations, which require engagement with an insurer and may involve additional financial disclosure; and a requirement to register with NSW Fair Trading as an entity, not just as an individual. The practical effect is that short-term project work in NSW is commercially unviable for a sole trader or small business.

Example 2:

A building surveyor moving from Victoria to South Australia to work on a commercial project finds that SA does not have equivalent registration categories, meaning that MR equivalence cannot be established with certainty, and the MR application may be rejected or delayed pending regulator assessment.

Jurisdictions can improve alignment without reducing safety or consumer protections by:

- ▶ Adopting common licence class structures and terminology
- ▶ Developing intergovernmental protocols for mutual recognition of equivalent compliance with insurance and probity requirements
- ▶ Establishing a national standard for processing times for MR and AMR applications
- ▶ Empowering a standing national body to maintain and update equivalence frameworks as licensing regimes evolve.

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?

Master Builders' members report that the administrative burden of navigating mutual recognition is a significant deterrent to interstate work, particularly for sole traders and small businesses. The compliance costs are both direct (fees, application time, potentially required assistance from a compliance consultant or industry association) and indirect (delay in being able to commence work and the opportunity cost of time spent on administration rather than productive work).

The Consult Australia case study cited in the interim findings (a medium-sized employer maintaining a full-time position at approximately \$125,000 per year to manage licensing compliance) represents the upper end of what a firm might invest. For smaller businesses, the equivalent investment is the owner's time, which is drawn directly from productive capacity.

Question 11: How do notification requirements under AMR affect workers' ability to accept short-term or urgent work?

Notification requirements under AMR, while less burdensome than the traditional MR application process, still impose delays and administrative steps that can be disqualifying for short-term or urgent work in building and construction.

The most acute impact is for disaster response and emergency repair work, where the value of interstate labour deployment depends entirely on speed. A plumber or electrician who is available to assist with disaster recovery work in another jurisdiction cannot wait for notification processes to be completed and acknowledged before commencing work. In practice, workers in urgent situations either work in technical breach of notification requirements or forgo the opportunity.

Master Builders recommends that notification requirements for emergency and disaster response work be waived or streamlined, with retrospective notification permitted within a defined period. This is consistent with the principle that mutual recognition schemes should support, not impede, the rapid deployment of skilled labour in circumstances of greatest need.

Question 12: What regulatory practices or tools have most effectively supported workers to navigate MR or AMR?

AMR has reduced friction materially for a subset of construction workers, principally those in trades with clear occupational equivalences, operating in jurisdictions that have included their licence class in the scheme, and working as individuals on a temporary basis. For the much larger population of builders operating through companies, workers engaged in NSW on design-related work, all workers seeking to operate in Queensland, and anyone navigating complex multi-class licence equivalencies across jurisdictions with differing scope definitions, the current toolkit falls substantially short of what adequate regulatory support would require.

Question 13: What aspects of Australia's mutual recognition schemes are most difficult to understand or contain the most significant information gaps?

- ▶ Licence equivalence: workers frequently cannot determine whether their home-state licence is equivalent to the licence class they need to work in the host jurisdiction, particularly where licence class names differ between states.
- ▶ Local law requirements: workers are often unaware of the local law obligations (insurance, probity, white cards, site safety inductions) that attach to their work in a host jurisdiction and are not addressed by MR or AMR.
- ▶ Firm versus individual licensing: the distinction between individual worker licensing (covered by MR/AMR) and entity-level registrations (not covered) is poorly understood and creates compliance failures.
- ▶ The AMR notification process: which jurisdictions require notification, how it is done, whether there is a cost, and how to confirm that notification has been received and is effective are all sources of confusion.

The status of overseas qualifications in the MR/AMR pathway, where workers who trained overseas do not understand how their qualifications interact with mutual recognition, particularly if they have been licensed in one Australian jurisdiction but seek to operate in others.

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?

Australia's mutual recognition schemes are no longer fit-for-purpose for the building and construction sector in their current form. The original 1992 framework was designed for a simpler, less mobile, and less interconnected labour market. The changes that have occurred since, including the growth of multi-state construction firms, the increase in cross-border project work, the emergence of remote engineering and certification services, and the explosion of state-based licensing regimes, have outpaced the framework's design.

Question 15: How could data collection be improved to support evidence-based regulation of MR and AMR?

Master Builders recommends the following improvements to data collection for building and construction licensing:

- ▶ A national licensing register, as recommended in response to Finding 11, should be designed from the outset to generate population-level data on the stock and flow of licensed practitioners across jurisdictions, disaggregated by licence class, jurisdiction of origin, and AMR or MR pathway.
- ▶ State and territory licensing regulators should be required to collect and report annually on: the number of MR and AMR applications and notifications received, broken down by occupation; processing times; rejection rates and grounds for rejection; complaints received about MR/AMR workers; and disciplinary actions taken against workers operating under MR or AMR.
- ▶ ASQA should be required to provide data to licensing regulators on RTOs that are subject to regulatory action in relation to construction trade qualifications, enabling regulators to identify and respond to cases where the training underlying a licence may be compromised.

Insurance regulators and home warranty insurance providers should be encouraged to provide data on claims involving interstate-licensed practitioners, which would provide a downstream indicator of any quality differential.

Question 16: Are any aspects of the MR Act (including provisions governing AMR) hindering the effectiveness of mutual recognition schemes?

Master Builders identifies the following provisions of the MR Act as hindering effectiveness for building and construction:

- ▶ The 'home state' definition for AMR (s.42B) creates the absurdity illustrated by the 'Sarah' case study, where practitioners who have obtained licences in jurisdictions other than their residential state cannot access AMR in their home state even when they are based there. The provision should be amended to allow AMR to operate from any jurisdiction in which a person holds a valid licence, subject to notification requirements.
- ▶ In addition to the "home state" definition for AMR, there is no licence verification mechanism built into the scheme at the Commonwealth level, which creates regulatory challenges and asymmetric notification actions for suspensions or cancellations. This creates the "shopping and hopping" issue the interim findings identified.
- ▶ The exemption framework (Part 3A, Division 2) provides inadequate constraints on jurisdictions' ability to exempt occupations from AMR. The Act should require that exemptions be supported by documented, publicly available evidence of proportionate safety or consumer protection risk, subject to periodic independent review.
- ▶ Several definitions remain outstanding in the amended (2021) Act. These include a definition of "significant risk" (s.42S), which is also not subject to independent evidentiary review before declaration, and is not benchmarked against pre-existing MR.
- The Act's silence on firm-level registrations means that entity-level barriers to interstate operation are entirely outside the mutual recognition framework. The Act should be extended, or complementary legislation developed, to address firm-level licensing in building and construction.

Question 17: What are the practical steps and transition arrangements required to remove unnecessary occupational licensing barriers to a national labour market?

A three-stage process is required to effectively implement change over a 3-4 year period to enable appropriate consultation, adjustment and review times for each stage:

First: A national standard for RPL in high-risk construction trades is developed collaboratively by ASQA, BuildSkills Australia, and industry bodies, including Master Builders, with adoption required of all RTOs delivering relevant qualifications.

A standing coordinating licensing body for building and construction is established with a clear mandate, transparent reporting obligations, and accountability to ABMM and CFFR. A national information portal for MR and AMR is established, providing occupation-specific, jurisdiction-specific guidance in plain language. Emergency and disaster response workers are exempt from AMR notification requirements, with retrospective notification permitted within a defined period.

Second: The standing body commences mandatory transparency reporting on jurisdictional compliance with alignment commitments. States and territories adopt common licence class structures and terminology for builders, building surveyors, plumbers and engineers, consistent with the Shergold-Weir recommendations. ASQA's enforcement capacity in construction trade qualifications is reviewed and strengthened. A national interoperable licensing register is established, with public-facing search functionality and real-time cross-jurisdictional data sharing. Ministerial Declarations are replaced with dynamic digital equivalence frameworks maintained by the standing body.

Third: National licensing schemes are established for electricians and engineers (consistent with the Government's existing commitment) and extended to builders, building surveyors and plumbers as framework harmonisation is completed and quality foundations are in place. Firm-level registrations for building contractors are incorporated within the national licensing framework. The MR Act is reviewed, with relevant provisions repealed where national licensing has been established. The standing body transitions to an ongoing monitoring and maintenance function for national licensing standards.

The Potential for a National Licensing Framework

Question 18: Which occupations would benefit from moving towards a national licensing framework? What characteristics make them suited to national licensing? What risks would need to be managed?

Existing licensed trades are good starts. The recent [National licensing for electrical occupations review](#) has already scoped out the prospects of national licensing for electrical trades.

The characteristics that make these occupations suited to national licensing include: large and mobile workforces for whom interstate work is a feature of normal operations; the existence of a national technical standard that can anchor nationally consistent licence eligibility requirements; high rates of cross-jurisdictional project work including remote delivery; and the potential for tripartite support from employers, unions and governments.

However, the more important question is whether the prerequisites are in place. A national licensing scheme for construction occupations will be more achievable, more durable, and less contentious when: RPL standards are nationally consistent and publicly trusted; the standing governance body has established a track record of maintaining alignment; and the national register provides the information infrastructure on which national licensing can operate. Pursuing national licensing before these foundations exist risks replicating existing inconsistencies at a national level.