

The Case for National Engineering Registration

Summary and Questions and Answers

Summary of Key Facts

In November 2008, the Council of Australian Governments (COAG) signed the National Partnership Agreement to Deliver a Seamless National Economy. The Agreement recognises that jurisdictional differences can make compliance with regulation costly and cumbersome. A program has been established to progressively harmonise regulations in order to make compliance more efficient for firms operating throughout the Australian economy. The 'seamless' national economy is being pursued across a number of trades and professions by COAG.

Australia's highly skilled and experienced engineering professionals are making a significant contribution to the dynamic economic growth driving this structural change, yet engineering services are not part of this reform agenda. Instead more than a dozen different Acts and subordinate legislation regulate some engineering services in most States and Territories.

Where regulation exists, it is rarely specific to engineering services. Queensland is the only State that requires engineers to be registered if offering or providing professional engineering services unsupervised, and Western Australia is considering requiring registration. In other States and Territories, engineers generally operate under a self-regulatory system.

Not only is this inconsistent with the broad thrust of national economic reform but also threatens efforts directed at:

- ❖ Addressing skills shortages and enhancing mobility
- ❖ Enhancing public safety
- ❖ Improving consumer protection

Now more than ever Australia needs a national system for registration of engineers to ensure that there is portability of the profession across jurisdictions to bring efficiency to the system while making sure standards are protected.

Up to 200,000 engineers would benefit from the reduction in red-tape, while major infrastructure companies, government departments and the wider public would benefit from a greater level of protection derived from having a national statutory engineering registration scheme.

A scheme of uniform statutory registration for engineers would drive efficiencies for the entire system and improve productivity for engineers by reducing their compliance costs.

Questions and Answers

Why is the current system inadequate?

The current State-based schemes involve a number of different acts that regulate engineering activity, many of which establish ad hoc registers with a variety of eligibility criteria. The current regulation of engineering is complex and inconsistent, resulting in varying levels of consumer protection from State to State, mostly relying on the profession's self-regulation, and inevitably leads to perceived barriers to practice between jurisdictions and cost imposts on national providers of engineering services.

What kind of scheme is being proposed?

The stakeholders representing the engineering profession recommend a co-regulatory model under which the qualifications and competencies required for registration are to be assessed by professional associations accredited by a statutory board or another similar body. Government is to be responsible for administering the legislation, including the authorisation of professional associations, and taking disciplinary action where misconduct or incompetence is identified. A nationally consistent Engineers Act would be introduced in each State and Territory with mutual recognition governing the registration of professional engineers.

This arrangement helps to ensure high standards in competency assessment. In addition, authorised professional associations would be expected to require registered engineers to undertake continuing professional development to maintain and develop their skills, as is the current practice of professional associations.

The National Engineering Registration Board would have a continuing role and would continue to offer registration based on assessment against approved qualifications criteria, national engineering competency and performance standards and ongoing professional development requirements. It would also assist with national consistency of engineering regulation.

Why is a State-based scheme proposed?

While the Commonwealth could pass legislation to regulate engineering, what is proposed by COAG in trades is a State-based legislative solution within a national framework. A referendum, or referral to the Commonwealth of powers by the States would be required for a stand-alone Commonwealth statutory scheme. A State-based national statutory regime is the best, and simplest solution.

How do the proposed changes address skills shortages and enhance mobility?

As is well-known, parts of Australia sometimes grow at faster rates than others; and different sectors within the economy likewise. Having a seamless national registration system for engineers would allow professional labour to flow freely across borders and respond to demand without having to comply with needless red tape.

A national registration scheme – as well as delivering efficiencies for engineers themselves – would allow industry to enjoy the ease of a national statutory registration scheme which assesses their

qualifications, experience and competence. Cutting red tape through introducing consistent legislation will allow engineers to register just once to practise in all States and Territories.

Development of a statutory national registration system for engineers would allow the profession to press for access to markets where registration is essential, such as the United States. Equally, it would provide a framework within which engineers coming to Australia from overseas could be recognised.

Having a nationally recognised and accredited competency-based statutory registration system, with international links would also serve to enhance the status of the qualification, simply through the offer of a national registration system, and also by offering national and international opportunities for registrants.

It is a long-term supply solution, and an immediate demand solution. It would also ensure that engineers in all jurisdictions have demonstrated all the necessary skills and qualifications to perform complex tasks. The greater status or community standing derived from statutory registration may also draw aspiring students into the profession and help redress the current skills shortage.

How would the reforms enhance public safety?

The consequences of engineering failure can be devastating, which is why a robust national scheme is of paramount importance. Incidents such as the Thredbo landslide, the Longford Plant explosion, Lane Cove Tunnel cave-in and the Canberra Hospital demolition may have been averted under a rigorous statutory national engineering scheme. Under the current ad-hoc and largely self-regulatory system, the ability to ensure engineering competence through assessment is limited. Furthermore, sanctions against poor practice, such as de-registration of the engineer and/or their employer are not uniformly available or effective in removing unqualified and incompetent engineers from the system.

What are the consumer protection benefits?

Having a statutory national registration system which would ensure uniformly enforceable codes of practice and the highest competency of engineers to perform the duties for which they are tasked would be the first step in enhancing consumer protection. Equally, it would put in place a statutory mechanism for the resolution of disputes and a system whereby registration could be revoked, suspended or have conditions attached.

Would it cover all occupational groups within engineering?

Yes. All areas of engineering would be covered. It is intended that engineering technologists and engineering associates would receive coverage under Stage 2 of a national registration regime.

What would be the cost of implementing the scheme?

While detailed costs have not yet been quantified, it would seem logical that a single national registration scheme would, in total, cost less than the current ad hoc system, with its myriad of differing legislation and registration requirements. One scheme would drive efficiencies for the entire system and improve productivity for engineers, while driving efficiencies for employers.

PriceWaterhouseCoopers conducted a National Competition Policy review of the Professional Engineers Act 1998 (Qld), which requires registration of engineers.¹ This review assessed a number of regulatory options to identify the incremental costs and benefits of each model, as well as their consistency with key policy objectives. The study found that a co-regulatory approach offered the greatest incremental net benefit, in addition to slightly better compliance with policy objectives.

It is important to note that economic modelling is being commissioned currently and will be made available.

Why hasn't this been done earlier?

This issue has been on the agenda for engineers for some 90 years, and the profession itself has moved toward a national registration scheme during the last decade. However, outside the State of Queensland, the current voluntary system cannot be mandated and has no recourse for prevention of practice because it lacks the requisite statutory backing. Some States have held a position of self-regulation, relying on the courts and insurance industry providing the limitations and protections available. Such ad-hoc and laissez-faire arrangements carry risks, inefficiencies and high costs.

Why the urgency now?

Instances of engineering failure can be catastrophic. We cannot act too soon. Equally, ongoing skills shortages and the need to continue to build Australia's productivity are urgent drivers of the need for reform. The current COAG process around producing a seamless national economy presents an opportunity to pursue reform of engineering regulation.

There are several other more immediate drivers behind the current call for national registration:

- While employer sponsored immigrant engineers will continue to fill important gaps created by the skills shortage, when they decide to stay in Australia there needs to be a registration system to provide appropriately qualified and competent immigrant engineers with the required recognition. National registration will do this.
- As the economy grows, especially in the mining and resources sector, a national registration scheme will provide greater certainty about the competence of the engineers required to support innovation and development.
- As Australian Standards move deliberately to risk-based or performance-based codes it is increasingly important that they are handled by qualified and competent engineers. A national engineering registration system will provide an avenue for Standards Australia and the Regulatory instruments that refer to Australian Standards to identify registered engineers as competent persons where appropriate.

¹ Department of Public Works, *Professional Engineers NCP Review, Final Report*, Queensland Government, Brisbane, February 2000.