

Submission – Trans-Tasman Review

Date: 3 October 2012

From: Tim Kirby, Sydney

I would like the Productivity Commissions to consider the following comments that I have regarding the discussion draft currently open for consultation.

1. I am impressed and pleased that the Commissions have worked together to recognise that there are further areas where barriers to Trans-Tasman business and culture can be improved. The draft discussion document covers many worthy areas so well done.
2. The one area that I would like the Commissions to consider for inclusion in this, or future reviews is that of role played by skilled and trusted professionals within the business communities (and indeed society in general) in both countries. As a Chartered Accountant (NZ) I have worked in both Australia and New Zealand, and I consider that the role of business professionals is just as important to maintaining and improving productivity as the role of trade or capital investment.

In short, economies are run by people, and one of the key groups of people that economies to operate smoothly and productively are trusted business professionals. While it may not be fashionable to consider that membership of reputable professional bodies is necessary to provide a service, such as financial planning or taxation reporting, the reality is that the corporate sector recognises that such membership is needed to build and retain the level of trust needed by businesses to handle key matters.

Legislation also recognises this within Australia, but this recognition is very inconsistent. This inconsistency is both between States and between individual pieces of Commonwealth legislation. This matter has been explored by recent reviews of Trans-Tasman Mutual Recognition processes, but the message hasn't got through to legal drafters in Australia at all.

3. An example of where recent Commonwealth legislation has excluded NZ business professionals from provided services for which they may be qualified is the National Greenhouse Emissions Reporting (NGER) Scheme. Most recently reviewed this year, the regulation for recognising registration as an auditor under the NGER Scheme lists membership of a number of Australia financial and environmental bodies as necessary for registration. Membership of the NZ Institute of Chartered Accountants is not included.

This both excludes NZ business professionals from competing for service in the Australian economy (trade restrictive) but may also reduce the likelihood that the Regulator of the affected regulated community will be able to access the best available service (productivity restrictive). This is particularly apparent in this example, as NZ business professionals have been dealing with a carbon trading scheme, based on carbon emissions, for a much longer time than Australian business professionals.

In order for NZ accountants to become eligible to be part of the scheme, they must at present join an Australian body (at some cost). The fact that they may join a body such as the Institute of Public Accountants (that has very low entry criteria, no track record as a trusted professional body, and low requirements for ongoing professional development) and then become registered as an NGER scheme auditor is a perversity that increase red-tape and reduces the trustworthiness of the regulated scheme.

4. Both the NZ and Australian economies need the best possible access to trusted business professionals to operate productively. It would be good if the Commissions could recognise the importance of this, and consider how to move forward with wider mutual recognition of trusted business professionals like accountants.

Thanks

Tim Kirby

Sydney

---