

# **Reforming licensing in NSW**

Review of licence rationale and design

**Regulation Review — Final Report**  
September 2014



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## 1 Executive summary

In recognition of the regulatory burden potentially created by licensing, and driven by its 'red tape' reduction target of \$750 million by 2015,<sup>1</sup> the NSW Government has engaged IPART to undertake a review of licensing in NSW.

Our recommended reforms of priority licences in NSW are expected to reduce red tape to individuals and businesses by between \$117 million and \$130 million per year and provide between \$108 million and \$129 million in net benefits.<sup>2</sup>

We have identified that there are 769 different licence types (or 'licences')<sup>3</sup> administered by NSW Government agencies and departments, affecting individuals, businesses and the community in general.<sup>4</sup> In addition, about 50 licence types are administered by local councils.<sup>5</sup>

Of the 769 licences, we have identified 310 as significant as they represent over 99% of all licences by volume and revenue raised. Of the 310 significant licence types, we identified 40 as the top priority for reform (the 'Top 40' licences). We have focussed mainly on the 'Top 10' licences for our recommendations as well as other licences that stakeholders made submissions on.

Our definition of 'licence' is broad and includes licence, registration, notification, authorisation, accreditation, permit, approval, and certification. As at 30 June 2012, there were about 22 million 'licences' in force in NSW. This is equivalent to a licensing burden of about 3 licences per NSW resident.<sup>6</sup>

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<sup>1</sup> Premier's Memorandum, *M2012-02 Red tape reduction – new requirements*, February 2012.

<sup>2</sup> See Chapter 5.1. Dollar figures in this report are presented in 2011/12 real dollars unless stated otherwise. Costs have been calculated using licence survey data collected by IPART for the period 1 July 2011 to 30 June 2012.

<sup>3</sup> IPART licence survey data see section 2.3 in Chapter 2. Since our Draft Report, we have revised the total number of licences from 776 to 769, to correct double-counting of 7 licence types by agencies in their original survey responses (see Appendix P).

<sup>4</sup> These are licences under NSW legislation that meet the broad definition of licence used for this review (see section 2.1.3). The number of licence types is based on IPART licence survey results.

<sup>5</sup> See section 2.2 in Chapter 2.

<sup>6</sup> Assumes that business licences are held by a NSW resident. The denominator is the total NSW population (Australian Bureau of Statistics 3235.0 Population by Age and Sex, Regions of Australia released 31 August 2012).

The NSW Government collected about \$2.8 billion in revenue during the 2011/12 financial year from licences, which is equivalent to about 5% of the NSW 2011/12 Budget.<sup>7,8</sup> For some licences, the revenue collected may include taxes and rents (eg, revenue reported for registration of a light vehicle includes a weight tax component).

The large number of licences in NSW reflects the complexity of society – including the increasing range of activities, goods and services in the economy. To some extent, it may also reflect a culture of licensing amongst regulators, and a desire by some businesses to have their industry licensed to limit entry.

Significant reductions in regulatory burdens could be made if unnecessary licences are removed, or the design and administration of excessively burdensome licences are reformed. Our challenge is to identify potential licence reforms, across the wide range of NSW licence types.

This Final Report presents IPART's recommendations and findings on potential licence reforms and reform priorities. We developed these recommendations using stakeholder comments on our Draft Report.

Since the release of our Draft Report, the Government has accepted and announced several of our recommendations, primarily being the recommendations in relation to the validity of light vehicle safety reports ('pink slip') and driver licences.<sup>9</sup> These two recommendations deliver between \$108 million and \$118 million red tape savings per year.

## 1.1 What have we found in response to our task?

The NSW Government has asked us to review licences in NSW and identify those where reform would produce the greatest reduction in regulatory burden (including red tape) for business and the community. The Terms of Reference for the review are presented in Appendix A.

In conducting this review, we are also to develop a conceptual Licensing Framework, and accompanying Guide, to assess the efficiency of licensing as a regulatory instrument addressing the identified problems and risks, and to assist in improving the licence design and administration.

<sup>7</sup> NSW Government, *Building for the Future: Budget Overview 2012-13*, 2013, [http://www.parliament.nsw.gov.au/prod/la/latabdoc.nsf/0/077e85d505a211dfca257a1b00190e44/\\$FILE/2012-13\\_Budget\\_Overview.pdf](http://www.parliament.nsw.gov.au/prod/la/latabdoc.nsf/0/077e85d505a211dfca257a1b00190e44/$FILE/2012-13_Budget_Overview.pdf), accessed 12 July 2013.

<sup>8</sup> Dollar figures in this report are presented in 2011/12 real dollars unless stated otherwise. Costs have been calculated using licence survey data collected by IPART for the period 1 July 2011 to 30 June 2012.

<sup>9</sup> NSW Minister for Roads and Freight (2014), media release, *Making life easier for motorists: licence and pink slip changes in NSW*, 21 May 2014, <http://www.rms.nsw.gov.au/news/ministerial/news2014/20140521-licence-pink-slip-changes.html>, accessed 18 August 2014.



### 1.1.1 Estimates of cost savings and gains from reform

There are two sets of impact figures presented in this Final Report and in the sections below:

- ▼ our estimates of the potential aggregate (economy-wide) gains from reforming the 310 significant licences, and
- ▼ our estimates of the direct effects of *specific* licence reforms for the 'Top 10' licences.

Since our Draft Report, we have revised the number of significant licences from 269 to 310, following the incorporation of an additional 41 licence types assessed also to be significant.<sup>10</sup>

Our estimates of the aggregate or economy-wide gains from licence reform should generally be considered *conservative* estimates of the potential gains. This is because they:

- ▼ are derived using generally *conservative* estimates of the *direct* costs of licensing<sup>11</sup> – which are then multiplied to reflect the potential flow-on gains to other parts of the economy
- ▼ do not account for broader economic effects or dynamic efficiency gains, such as benefits from removing restrictions on competition or improved resource allocation.

Furthermore, for private transport licences in particular (which are amongst the most significant licences), we have been conservative in our estimates of their impacts throughout the broader economy. Hence, our economy-wide estimates of the gains from reforming private transport licences are likely to underestimate the true gains.<sup>12</sup>

In deriving our estimates of potential aggregate gains, our aim has been to provide an indication of the magnitude of potential gains that can *at least* be achieved through improving licence design and administration.

In developing our recommendations, we have focused on licences administered by NSW Government agencies, rather than local councils. Our concurrent red tape review of Local Government Compliance and Enforcement considers several key local council licences (eg, companion animal registration and section 68 approvals under the *Local Government Act 1993*).

<sup>10</sup> See Appendix H and P.

<sup>11</sup> That is, licence revenue as a proxy or indicator of these costs (see Chapter 4).

<sup>12</sup> As discussed in Chapter 4, for each significant licence we have developed a 'structural multiplier', which captures the flow-on effects of the licence in the economy. For private transport licences (eg, registration of a light vehicle), we have set the structural multiplier to 1, due to difficulties in allocating private transport services to the input-output sector. However, a large proportion of car registrations, for example, are business related, and increased costs of licences/registrations used for business purposes would have flow-on effects to other areas of the economy. Reduced costs of licences/registrations used for private purposes may have flow on effects to the extent that they permit increased expenditure on other goods and services.

### 1.1.2 Our list and assessment of 310 significant licences

Of the 769 licence types administered by the NSW Government,<sup>13</sup> we have identified 310 ‘significant licences’. These represent 99.2% of all licences by volume and 99.5% of licence revenue raised.

Notably, this means the other 459 licence types account for 0.8% and 0.5% of licence numbers and revenue, respectively. While these licences are a lower priority for licence reform, there may be substantial gains from abolishing them or reviewing their design and administration.

Based on our survey of NSW Government agencies, we have ranked each of the 310 significant licence types in terms of number of licences, revenue collected, and scope for improving their design and administration (see Appendix H and J).

Our estimates indicate that improvements to the design and administration of these 310 licences could produce gains to the NSW economy of *at least* \$342 million per year.<sup>14</sup>

### 1.1.3 Our ‘Top 40’ reform priority list

We have also developed a ‘Top 40’ licence reform priority list (see Chapter 5). Since our Draft Report, we have revised the number of priority licences from 32 to 40, following the incorporation of an additional 11 licence types identified as reform priorities, and deleting three licence types deemed no longer relevant.<sup>15</sup> These licences represent about 62% of licences by volume and 82% of revenue raised.

This priority list reflects the potential gain from improving the design and administration of these licences. These licences:

- ▼ directly affect a large number of people or businesses (ie, very high licence numbers) and/or collect a large amount of licence revenue (which often provides an *indication* of the cost or complexity of a licence)
- ▼ appear to have relatively high scope for reform (based on NSW Government agency survey returns).

Our estimates indicate that improvements to the design and administration of these ‘Top 40’ licences could produce gains to the NSW economy of *at least* \$212 million per year.

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<sup>13</sup> As at 30 June 2012. IPART analysis based on responses to NSW Government department/agency licence survey.

<sup>14</sup> See Chapter 5.1 or Appendix G, H and J.

<sup>15</sup> See Appendix H and Appendix P.

#### 1.1.4 Further analysis of the 'Top 10' priority licences

Within the 'Top 40', we have identified the 'Top 10' priority licences. Our estimates indicate that general improvements to the design and administration of these 10 licences could produce gains to the NSW economy of *at least* \$193 million per year.<sup>16</sup> This estimate assumes the licences remain in place, but that their design and administration is improved.

For these 'Top 10' priority licences, we have also conducted further analysis and, where possible, recommended specific reforms to these licences.

We have estimated the **net benefits** of our specific reform recommendations to be between \$108 million and \$129 million per year (see Table 1.1 below). These net benefits are calculated by deducting the estimated economic costs of specific licence reforms from the benefits of these reforms. The major net benefits from specific licence reforms are:

- ▼ between \$100 million and \$115 million per year from extending the validity period of a light vehicle safety inspection report (previously called a 'pink slip') to 6 months
- ▼ about \$8 million per year from removing the mandatory continuing professional development requirement for the Home Building Licences and certificate holders (and allowing for the development of voluntary programs).

We have estimated that the **red tape savings** of our specific licence reform recommendations would be between \$117 million and \$130 million per year. The greatest reduction (between \$108 million and \$115 million per annum) comes from extending the validity period of a light vehicle safety inspection report (ie, 'pink slip') to 6 months as part of the registration renewal process. This recommendation provides flexibility and savings for responsible motorists who regularly service their vehicles.

The estimate of red tape savings generally equates to expected reductions in the direct costs to licensees from licence reform. It includes reduced administration costs, compliance costs, fees and charges and delay costs from removing licences and/or improving licence design and administration. Unlike estimates of net benefit (listed above), it does not include potential disadvantages of licence reform (eg, any adverse impacts on consumers or the broader community from changes to licensing arrangements). For this reason, estimates of red tape savings from reform are generally greater than estimates of the net benefits of reform (although this difference can vary across licences, depending on factors such as the merits of current licensing arrangements).

The licence reforms are generally estimated to have a neutral impact on the NSW Government **budget** in the long-term.

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<sup>16</sup> See Appendix H and Appendix P.

In relation to the ‘Top 10’ licences, we have also identified other potential areas for reforming the design and administration of these licences. Our analysis provides a starting point for regulators to undertake a more comprehensive assessment of their licences, using our proposed Licensing Framework (see below and Chapter 3).

**Table 1.1 Estimated impacts of specific IPART recommended licence reforms for 'Top 10' priority licences**

'Top 10' priority licence type	Specific licence reform recommendation	Estimate of net benefits of reform	Estimate of red tape savings <sup>a</sup>	Estimate of impact on NSW Government budget
Registration of a light vehicle	✓ (see Rec. 4)	▼ Between \$100 million and \$115 million per year	▼ Between \$108 million and \$115 million savings per year	▼ Neutral or minimal negative effect
Driver's licence – Car – Rider	✓ (see Rec. 6)	<ul style="list-style-type: none"> <li>▼ No net benefit for first 5 years</li> <li>▼ Net benefit of \$3.1 million per year for next 5 years</li> <li>▼ Net benefit of \$1.5 million per year thereafter</li> </ul>	<ul style="list-style-type: none"> <li>▼ No savings for first 5 years</li> <li>▼ \$3.4 million savings per year for next 5 years</li> <li>▼ \$1.7 million savings per year thereafter</li> </ul>	▼ Budget neutral in long term
Registration of Firearms	Current review <sup>b</sup>	-	-	-
NSW Photo Card	As per Driver's licences	-	-	-
Recreational Fishing Fee	✓ (see Rec. 7)	-	-	-
Registration of a recreational vessel	✓ (see Rec. 8)	<ul style="list-style-type: none"> <li>▼ No net benefit for first year</li> <li>▼ Net benefit of \$2.1 million per year for next 4 years</li> <li>▼ Net benefit of \$1.7 million per year thereafter</li> </ul>	<ul style="list-style-type: none"> <li>▼ No savings for first year</li> <li>▼ \$2.1 million savings per year for next 4 years</li> <li>▼ \$1.7 million savings per year thereafter</li> </ul>	▼ Budget neutral in long term
Home Building Licence (HBL)	✓ (see Rec. 9)	<ul style="list-style-type: none"> <li>▼ Net benefit of \$8.1 million net per year (HBL)</li> <li>▼ Net benefit of \$0.7 million per year (OBP)</li> </ul>	<ul style="list-style-type: none"> <li>▼ Up to \$8.1 million savings per year (HBL)</li> <li>▼ Up to \$0.9 million savings per year (OBP)</li> </ul>	<ul style="list-style-type: none"> <li>▼ Minimal positive effect (HBL)</li> <li>▼ Negative effect of approx. \$0.2 million per year (OBP)</li> </ul>
Owner Builder Permit (OBP)	✓ (see Rec. 11)			
Registration of Heavy Vehicle	National reform	-	-	-

<sup>a</sup> Does not include costs incurred by NSW Government agencies responsible for administering regulations or providing services as per Better Regulation Office (2012), *Guidelines for estimating savings under the red tape reduction target*, p 6

[http://www.dpc.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0004/136237/Guidelines\\_for\\_estimating\\_savings\\_under\\_the\\_red\\_tape\\_reduction\\_target.pdf](http://www.dpc.nsw.gov.au/__data/assets/pdf_file/0004/136237/Guidelines_for_estimating_savings_under_the_red_tape_reduction_target.pdf), accessed 4 July 2013.

<sup>b</sup> Being undertaken by the NSW Firearms Consultative Committee.

### 1.1.5 Other changes since the Draft Report

In addition to the revisions to the number of significant and priority licences, in our Final Report we incorporated stakeholder comments on our Draft Report. We substantially maintained our draft recommendations and made the following changes:

- ▼ noted recommendations that have been accepted by the NSW Government since our Draft Report
- ▼ extended the timeframe for the recommendations from 2014 to 2015, where applicable, and
- ▼ extended the scope of the Recommendation 17 on commercial property agents, to include large commercial property owners as an exempt category.

### 1.1.6 Other potential reform opportunities

In addition to the ‘priority’ licences, we have also identified a number of other potential licence reform opportunities through our public consultation process. These licences are considered in Chapter 6. We have divided the chapter into those licences that we have identified as ‘significant’ and those that are not.

In many instances, our recommendations in relation to these other licences refer to the need for NSW Government agencies to assess their licences against our proposed Licensing Framework (see below and Chapter 3). This often reflects stakeholder views that the licence is unnecessary, or specific elements are poorly designed or administered.

### 1.1.7 Licensing Framework

With the assistance of our consultant, PricewaterhouseCoopers (PwC), we have developed a Licensing Framework<sup>17</sup> and Licensing Guide<sup>18</sup> for regulators to use when assessing their existing or new licences (see Chapter 3). The Licensing Framework has four key stages that enable a regulator to determine whether licensing is:

- ▼ an appropriate option to consider
- ▼ well designed
- ▼ administered effectively and efficiently
- ▼ ultimately the best response to address identified problems or objectives.

<sup>17</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes*.

<sup>18</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material*.

For existing licensing schemes, the Licensing Framework and Licensing Guide provide an approach for reviewing the licensing scheme to identify whether reforms may be needed – including whether the licence is still necessary or whether its design and/or administration could be improved. For proposed licensing schemes, the Licensing Framework and Licensing Guide can be used to identify whether licensing should be considered as an option to address the problem and, if so, identify the design and administrative elements that could apply.

The Licensing Framework and Licensing Guide have been guided by, and developed in line with, the former Better Regulation Office's better regulation principles. They complement current requirements for regulatory proposals, including Better Regulation Statements, Regulatory Impact Statements and 'Schedule 1' analysis.

Given our analysis and findings in this review, we consider significant net benefits (and red tape savings) can be realised if the Licensing Framework and Licensing Guide are correctly applied by NSW Government agencies when reviewing or considering licensing schemes.

To assist regulators in applying the Licensing Framework and Licensing Guide consistently, we developed case studies and produced licence assessment reports for two licences administered by IPART, Liquefied Petroleum Gas (LPG) distribution licence and Hunter Water Corporation (HWC) operating licence. In particular, the licence assessment reports contain a number of tables that could be used as templates by regulators when conducting their own licence assessments.

The Licensing Framework, Licensing Guide and licence assessment case studies are available on our website [http://www.ipart.nsw.gov.au/Home/Industries/Regulation\\_Review/Reviews/Licence\\_Design/Licence\\_Rationale\\_and\\_Design](http://www.ipart.nsw.gov.au/Home/Industries/Regulation_Review/Reviews/Licence_Design/Licence_Rationale_and_Design).

### 1.1.8 Opportunities for ongoing licence reform

Through information collected during the course of this review, including our surveys of regulators and licensees and stakeholder submissions, we have also identified opportunities for ongoing licence reform across all licences. These are summarised by our list of findings at the end of this chapter, and discussed in Chapter 7. These findings include that:

- ▼ 38% of significant licence types (licences) have not been reviewed in the last five years
- ▼ for about a quarter of licences, regulators have not set their terms and conditions using best practice methods
- ▼ compliance regimes of a number of licences are not well targeted

- ▼ only 5% of licences had a simplified renewal process for licences with long track records of compliance.

Our findings highlight areas where the administration and design of licences could be improved. To assist each NSW Government department or agency in assessing these areas, we have analysed their portfolio of significant licences in terms of potential improvements in licence administration and design (see Appendix M).

## 1.2 What process have we followed?

We invited all interested parties to make submissions in response to our Issues Paper. We received 60 submissions in response to the Issues Paper, due in December 2012.

We conducted a public roundtable in February 2013, to obtain stakeholder feedback on the draft Licensing Framework and Licensing Guide, and on licence reform priorities in NSW.

We submitted the preliminary Draft Report to the Department of Premier and Cabinet (DPC) in April 2013. The DPC asked us to consult further with NSW Government departments and agencies on our specific licence reform recommendations, prior to the release of our Draft Report. This consultation was undertaken in May - June 2013. The timetable for the review was revised to include this additional step in our consultation process.<sup>19</sup>

We submitted the first revision of the Draft Report to the DPC in July 2013, and following further consultation with agencies, the second revision of the Draft Report was submitted in November 2013.

In May 2014, we released our Draft Report and our Consultant's Final Licensing Framework and Licensing Guide.

We sought stakeholder comments on our draft recommendations and findings, the impact of the suggested reforms, and the alternative options to reduce unnecessary costs on business and the community from licences.

We received 29 submissions in response to the Draft Report, due in July 2014. Most of the submissions to our Draft Report were lodged by organisations, NSW Government departments/agencies or local councils.

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<sup>19</sup> Letter from NSW Department of Premier and Cabinet to IPART, 13 June 2013, see copy in Appendix A.



Comments made by stakeholders in their submissions on the Draft Report were taken into account to formulate our final recommendations. Submissions indicated that there was general support for the Licensing Framework and Licensing Guide.

Submissions to our Issues Paper and Draft Report, and a transcript of the Roundtable discussion are available on our website [http://www.ipart.nsw.gov.au/Home/Industries/Regulation\\_Review/Reviews/Licence\\_Design/Licence\\_Rationale\\_and\\_Design](http://www.ipart.nsw.gov.au/Home/Industries/Regulation_Review/Reviews/Licence_Design/Licence_Rationale_and_Design).

Having considered all the information and views expressed in submissions, we submit our Final Report to the NSW Government.

Table 1.2 sets out our timetable for this review.

**Table 1.2 Licensing review timetable**

Task	Timeframe
Terms of Reference	3 July 2012
Licence survey for local councils	13 September 2012
Licence survey for NSW Government departments and agencies	12 October 2012
Online survey for NSW licence holders ( <i>Have your say</i> )	25 October 2012
Issues paper	30 October 2012
Consultant's Draft Licensing Framework and Licensing Guide	30 October 2012
Stakeholder submissions due	12 December 2012
Public roundtable discussion	12 February 2013
Preliminary Draft Report to Department of Premier and Cabinet	15 April 2013
Consultation with NSW Government agencies	May/June 2013
Revised Draft Report to Department of Premier and Cabinet	23 July 2013
Further consultation with agencies undertaken by Department of Premier and Cabinet	August/Sept. 2013
Further revised Draft Report to Department of Premier and Cabinet	1 November 2013
Draft Report	22 May 2014
Consultant's Final Licensing Framework and Licensing Guide	22 May 2014
Receive submissions in response to Draft Report	4 July 2014
Deliver Final Report to NSW Government	29 September 2014

**Note:** The dates are indicative and may be subject to change.

### 1.3 What does the rest of this Final Report cover?

The rest of this report analyses the state of licensing in NSW based on the survey data and application of our methodology to prioritise licences for reform. The report explains our recommendations, including relevant information provided in stakeholder submissions. The Final Report is structured as follows:

- ▼ **Chapter 2** discusses our stocktake of licences in NSW, including those administered by local councils and NSW Government departments/agencies.
- ▼ **Chapter 3** outlines the Licensing Framework to assess licences in NSW and implementation arrangements to ensure the Licensing Framework is applied by regulators.
- ▼ **Chapter 4** sets out our methodology to identify reform priorities amongst 'significant' licences.
- ▼ **Chapter 5** discusses licences identified as priorities for reform ('Top 40' list), and provides a high level evaluation of the potential impacts of reform. It includes additional impact analysis and recommendations for the 'Top 10' priority licences.
- ▼ **Chapter 6** discusses other licences identified for reform throughout the course of this review, including by stakeholders in submissions to the Issues Paper and comments submitted as part of the *Have your say* survey of licence holders.
- ▼ **Chapter 7** discusses opportunities for ongoing licence reform, drawing on information we have obtained throughout the course of this review, including the survey and questionnaire of NSW Government departments and agencies.

### 1.4 Recommendations

Our recommendations are listed below, in the order they appear and are discussed in this Final Report

#### Implementation of the Licensing Framework and Licensing Guide to assess licences in NSW

- |   |  |    |
|---|--|----|
| 1 | NSW Government agencies should:  | 66 |
|   | – ensure their licences are reviewed using the Licensing Framework and Licensing Guide:          | 66 |
|   | ○ as part of any statutory requirement to review legislation that governs a licensing scheme, or | 66 |
|   | ○ at least once every 10 years, where there is no statutory requirement to review a licence      | 66 |
|   | – apply the Licensing Framework and Licensing Guide when developing proposed new licences.       | 66 |

- 2 The NSW Department of Premier and Cabinet should amend the NSW Guide to Better Regulation (November 2009) to: 66
  - include reference to the Licensing Framework and Licensing Guide for regulatory proposals that involve licensing, and 66
  - require agencies submitting a regulatory proposal that involves licensing to include an assessment of their licensing proposal against the Licensing Framework, with their Better Regulation Statement (significant regulatory proposals) or other supporting documentation (non-significant regulatory proposals). 66

#### 'Top 40' licence reform priorities

- 3 The NSW Government should review the 'Top 40' licences listed in Table 5.1 using the Licensing Framework and Licensing Guide. The reviews should particularly focus on the key reform areas identified in Appendix H and I of this report as well as those outlined in specific areas in Chapter 5. 84

#### Specific reforms for 'Top 10' licences

- 4 NSW Roads and Maritime Services should, by the end of 2014, extend the validity of light vehicle safety inspection reports to 26 weeks for the purpose of renewing light vehicle registrations, except for public passenger vehicles. 92
- 5 The NSW Government should, by the end of 2015, review the annual safety inspection requirement for light vehicle registration (administered by NSW Roads and Maritime Services) using the Licensing Framework. 103
- 6 NSW Roads and Maritime Services should, by the end of 2014, provide a 10-year licence duration option for driver's licence classes C and R (unrestricted) for drivers aged between 21 and 44 years. 104
- 7 The NSW Government should, by the end of 2015, review the recreational fishing fee licence (administered by the Department of Primary Industries) using the Licensing Framework with respect to duration, fee-setting and administration. 112
- 8 NSW Roads and Maritime Services should, by the end of 2015, provide an option of a 5-year registration of a recreational vessel. 115
- 9 The NSW Government should, by the end of 2015, remove mandatory continuing professional development (CPD) for all Home Building Licences and certificate holders (administered by NSW Fair Trading), and allow for the development of voluntary professional development programs. 120
- 10 The NSW Government should, by the end of 2015, initially raise the value threshold for requiring a Home Building Licence (administered by NSW Fair

- Trading) to \$10,000, and then \$20,000 after 3 years. The threshold should be indexed at least once every 5 years. 124
- 11 The NSW Government should, by the end of 2015, initially raise the value threshold for requiring an Owner Builder Permit (administered by NSW Fair Trading) to \$10,000. The NSW Government should then raise the value of this threshold and the threshold for compulsory owner-builder training to \$20,000 after 3 years. The thresholds should be indexed at least once every 5 years. 131

#### Licences identified for reform from our review

- 12 The NSW Government should remove the requirement for food businesses to provide notification of Food Safety Supervisors (administered by the NSW Food Authority). 152
- 13 The NSW Government should, by the end of 2015, abolish property valuer licences. 157
- 14 NSW Trade & Investment should, by the end of 2015: 168
- implement any remaining recommendations from the former Better Regulation Office's review of the electricity Accredited Service Provider (ASP) Scheme in 2010 168
  - work with Distribution Network Service Providers to coordinate the development of a single training requirement that would authorise ASP employees to operate on all networks, rather than separate training for each network. 168
- 15 The NSW Government should review the fee setting principles for Child Employment – Employer Authority (administered by the Children's Guardian), using the Licensing Framework. 170
- 16 The NSW Government should, by the end of 2015, evaluate the Commercial Fishing Licence (administered by the Department of Primary Industries) using the Licensing Framework, and take into account PwC's preliminary analysis of this licence as a case study in the Licensing Guide. Concurrent with this review the registered fish receiver licence should also be reviewed. 174
- 17 The NSW Government should exempt commercial property agents who sell or manage property for: 179
- a related corporate entity 179
  - a large commercial property owner 179
- from the requirements of the *Property Stock and Business Agents Act 2002*. 179

- 18 The NSW Government should, by the end of 2015, evaluate the farm milk collector's licence (administered by the NSW Food Authority) using the Licensing Framework, and take into account PwC's preliminary analysis of this licence as a case study in the Licensing Guide. 182
- 19 The NSW Government should, by the end of 2015, evaluate the need for a licence to cultivate spat (administered by the NSW Food Authority), including the level of licence fees, using the Licensing Framework. 184
- 20 The NSW Government should, by the end of 2015, evaluate the licences under the *Liquor Act 2007* (administered by the Office of Liquor Gaming and Racing) using the Licensing Framework, with a particular focus on licence duration, conditions and administration. 187
- 21 The NSW Government should, by the end of 2015, abolish the LPG distributor licence and natural gas reticulator's authorisation (administered by IPART on behalf of the Minister for Resources and Energy). 190
- 22 The NSW Government should abolish travel agent licences in line with the COAG Legislative and Governance Forum on Consumer Affairs' Travel Industry Transition Plan for transition to self-regulation of the travel industry. 198
- 23 The NSW Government should, by the end of 2015, abolish the air-conditioning and refrigeration licence (administered by NSW Fair Trading). 206
- 24 The NSW Government should review the Continuing Professional Development (CPD) requirements for conveyancers (administered by NSW Fair Trading) using the Licensing Framework. This could be achieved as part of the recommended broader review of CPD (as per recommendation 27). 208
- 25 The NSW Government should, by the end of 2015, review administration of dangerous goods notifications (administered by WorkCover NSW), using the Licensing Framework and taking into account stakeholder comments about online notification and compliance processes. 210
- 26 The NSW Government should investigate consolidating environmentally hazardous chemical licences (administered by the NSW Environment Protection Authority) within Environment Protection Licences. 211

### Opportunities for ongoing licence reform in NSW

- 27 The NSW Government should commission a review by an independent body of the training and continuing professional development conduct rules for all occupational licences to ensure they are the minimum necessary. In doing so, the reviewing body should refer to the Licensing Framework. 224

- 28 NSW Government agencies should review their licences against our assessment of areas of licence design and administration that could be improved as set out in Appendix M, taking into account the findings made in this Final Report. 232

## 1.5 Findings

Our findings are listed below, in the order they appear and are discussed in this report.

### NSW local council licence survey results

- 1 The licence survey stocktake found that about 50 licence types are administered by local councils. 24
- 2 Using our licence survey data of local councils, we estimated that about 1 million local council licences were in force across NSW on 30 June 2012. 24

### NSW Government department/agency licence survey results

- 3 The licence survey stocktake confirmed that 769 licence types are administered by NSW Government agencies. 29
- 4 As at 30 June 2012, there were about 20.8 million NSW Government agency licences in force across NSW. 30
- 5 During the 2011/12 financial year, NSW Government agencies collected about \$2.8 billion in total licence revenue. 30
- 6 There is limited data available on licence numbers/revenue that connects businesses and small businesses to licence types in NSW. 37
- 7 310 of the 769 licences in NSW are classified as 'significant'. Combined, these 310 licences represent about 99% of all licences by volume and almost 100% of licence revenue raised (for NSW Government licences). 39
- 8 The other 459 licence types (not identified by us or by agencies to be 'significant') account for only 0.8% and less than 0.5% of licence numbers and revenue, respectively. 79

### Licence reform priorities

- 9 The 'Top 40' licences listed in Table 5.1 are reform priorities for NSW Government departments and agencies. 84

### Licence subject to review

- 10 A number of significant licence types administered by the NSW Government have been subject to review during the course of our investigation or will be subject to review in the near future. Some of these licences include: 149
- the taxi vehicle licence 149
  - firearms licences, as part of a review of the legislation governing firearms and permits to acquire firearms 149
  - licences and certificates of registration for property occupations 149
  - Environment Protection Licences. 149

### Opportunities for ongoing licence reform in NSW

- 11 Among 310 significant licence types (referred to as 'significant licences', 'licences' or 'licence types'), 38% have not been reviewed in the last 5 years. For the 54% of significant licence types that have been recently reviewed: 217
- 46% of reviews did not use best practice methods (ie, using rigorous analysis and public consultation) 217
  - 44% of reviews did not consider the need for a licence; 24% did not consider the licence's terms and conditions; and 25% did not consider the licence's compliance, enforcement or audit activities. 217
- 12 As would be expected, licence duration varies significantly across licence types in NSW. For licence types where data on duration was provided: 221
- 25% of licences had an 'ongoing' duration 221
  - 23% of licences had a duration between 3 years and 5 years 221
  - 29% of licences had a duration less than 3 years 221
  - 21% of licences had a 1-year duration 221
  - 'variable' or 'per activity' licence duration was reported for 14% of licence types. 221
- 13 For about 63% of significant licences (licence types), regulators have not set their terms and conditions using best practice methods involving either: 223
- rigorous analysis (cost-benefit analysis; economic, scientific or expert analysis), and 223
  - public consultation or use of information provided by stakeholders. 223
- 14 About 16% of significant licences have fees set at a nominal or arbitrary level. 225
- 15 About 28% of significant licence types have not had their fees reviewed in the last 5 years. 225

16	Our survey data indicates that the compliance regimes of a number of significant licences are not well targeted. For instance:	226
	– for 16% of significant licences, regulators conduct blanket inspections or audits	226
	– 32% of significant licences require periodic or standardised self-reporting by licensees.	226
17	The survey data indicates that for significant licences:	227
	– only 5% of licence types had a simplified renewal process for licences with long track records of compliance	227
	– less than 32% had structures in place to provide clarity to applicants about approval times	227
	– less than 23% had structures in place to provide clarity to applicants about renewal times.	227
18	About 17% of significant licence types do not offer any online licence services. Most significant licences also do not offer online lodgement services for applications or renewals, payment services for licence fees or facilities for licensees to update details online.	228



## 2 | Licences in NSW

This chapter explains the definition of a ‘licence’ used for our review. It presents the key findings and results of our licence survey of NSW local councils and NSW Government departments/agencies (‘agencies’). We have used the results of our survey of NSW Government agencies to determine licence reform priorities and opportunities for ongoing licence reform (see Chapters 4, 5 and 7).

Many of the significant local council licences (eg, companion animal registration and various approvals required under section 68 of the *Local Government Act 1993*)<sup>20</sup> are considered in our concurrent regulation review of Local Government Compliance and Enforcement.<sup>21</sup> Similarly, planning and building related local council licences have been considered as part of the Government’s current review of the planning system.<sup>22</sup>

### 2.1 What is a licence?

Licensing is a common form of regulation. The power of the state to permit, allow, authorise or recognise a particular activity has been one of the oldest forms of government regulation. “Licensing is one of the basic resources of government, a token of authority long used to provide access to markets on specified terms and conditions.”<sup>23</sup>

Four key components of a licence include:

- ▼ *notification*, where specified information is supplied to the regulator
- ▼ *prior approval*, where approval is obtained from the regulator to commence a prescribed activity
- ▼ *standards*, with minimum level of standards specified, and

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<sup>20</sup> Many local council water, sewerage and waste-related licences are approvals under section 68 of the *Local Government Act 1993* (NSW).

<sup>21</sup> IPART, *Regulation Review - Local Government Compliance and Enforcement - Draft Report*, October 2013.

<sup>22</sup> Information on this review is available at: <http://www.planningreview.nsw.gov.au/>, accessed 3 April 2013.

<sup>23</sup> Freiberg, A. (2010), *The tools of regulation*, The Federation Press, Sydney, p 143.

- ▼ *enforcement*, with the requirements of a licence being legally enforceable and allowing for the application of sanctions.<sup>24</sup>

Licences can target products (eg, vehicle registration), people (eg, licensing of professions), or places (eg, liquor licensing).

### 2.1.1 Why do we licence?

Licences can be used by government to achieve its economic, social and environmental objectives. However, there must be a clear need for a licence and it must be well designed and efficiently administered, so that it achieves its objectives at least cost to society.

There are both advantages and disadvantages of licensing as a form of economic regulation. Licensing is relatively straightforward to use in cases where the extent of risk and the potential severity of a problem justify preventative regulatory action.

Disadvantages of licensing include potential restrictions on competition by limiting entry into an industry or occupation. Higher barriers to entry create a cost advantage for the incumbents and may allow them to collect rents. Further, administrative and compliance costs associated with licensing impose burdens on licensees, which may be passed on to consumers through higher prices. Appendix B provides a more detailed discussion of these issues.

### 2.1.2 The objectives and functions of licences

The objectives of licences generally include protecting:

- ▼ consumers or third parties
- ▼ the community or particular segments of the community, and/or
- ▼ natural resources or the environment.

The Licensing Guide<sup>25</sup> and Appendix B contain discussion on the rationale for regulation, including licensing.

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<sup>24</sup> Bureau of Industry Economics, *Business Licences: international benchmarking*, 96/9, 1996a, AGPS, Canberra, pp 10-11.

<sup>25</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material* (PwC Licensing Guide), pp 13-15.

Licences aim to achieve their objectives by:

- ▼ requiring minimum competency or qualification requirements
- ▼ requiring specific behaviour or conduct
- ▼ mandating attributes or structures (eg, fit and proper character, being financially viable)
- ▼ restricting the quantity of activities being undertaken
- ▼ providing avenues for redress
- ▼ enabling policy making and enforcement (eg, through the collection of information on licence holders, the creation of administrative sanctions or remedies)
- ▼ collecting revenue to fund regulatory activities or revenue that reflects the 'rents' associated with scarce licences.<sup>26</sup>

### 2.1.3 The definition of licence used for this review

For the purpose of this review, we have used a broad definition of 'licence'. That is, we have assumed a licence to be any statutory instrument that is labelled either a:

- ▼ **licence** (eg, driver's licence)
- ▼ **registration** (eg, motor vehicle registration)
- ▼ **notification** (eg, notification of a food business)
- ▼ **authorisation** (eg, to fundraise for charitable purposes)
- ▼ **accreditation** (eg, accreditation as a real estate agent)
- ▼ **permit** (eg, heavy vehicle permit)
- ▼ **approval** (eg, approval to engage in a trade or business), or
- ▼ **certification** (eg, tow truck driver's certificate).<sup>27</sup>

Some of these instruments impose more requirements and restrictions on licence holders than others. For instance, a 'licence' may require the licence holder to undertake ongoing training, maintain a minimum level of insurance or regularly submit audited reports to the regulator. In contrast, a 'notification' may merely require the licence holder to inform the regulator if a certain event occurs (eg, work accident, liquor auction).

<sup>26</sup> PwC Licensing Guide, pp 29-30.

<sup>27</sup> While the latter 2 instruments (approval and certification) are not specifically referred to in the Terms of Reference for this review, our research indicates that they are commonly used by NSW Government agencies as licences.

### 2.1.4 Examples of licences in NSW

Table 2.1 provides examples of some licences in NSW and their respective objectives.

**Table 2.1 Examples of licences administered in NSW**

Licence objective	Licence example
Protect consumers or third parties	<ul style="list-style-type: none"> <li>▼ Accreditation of a real estate agent</li> <li>▼ Notification of a food business</li> <li>▼ Packaged liquor licence</li> <li>▼ Permit to conduct a progressive lottery</li> <li>▼ Plumbing, electrical and building contractor's licences</li> <li>▼ Motor dealer's licence</li> <li>▼ Registration as an architect</li> <li>▼ Travel agent's licence</li> <li>▼ Registration and accreditation of a non-government school</li> </ul>
Protect the community or particular segments of the community	<ul style="list-style-type: none"> <li>▼ Driver's licence</li> <li>▼ Mental health facility licence</li> <li>▼ Firearms licence</li> <li>▼ Filming permit</li> <li>▼ Approval of a shooting range</li> </ul>
Protect natural resources or the environment	<ul style="list-style-type: none"> <li>▼ Water access licence</li> <li>▼ Consent to clear land</li> <li>▼ Kangaroo harvester's licence</li> <li>▼ Permit to harm marine vegetation</li> <li>▼ Native animal keeper's licence</li> <li>▼ Opal prospecting licence</li> <li>▼ Recreational fishing fee</li> </ul>
Other	<ul style="list-style-type: none"> <li>▼ Registration of marriage</li> </ul>

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## 2.2 Licences administered by NSW local councils

Under the Terms of Reference (ToR) for this review, IPART was to examine all NSW licences, the numbers issued and the number of businesses and individuals affected. This includes licences administered by local councils under NSW Government legislation.

### Local council licence survey

In September 2012, we sent a stocktake survey to each of the 152 councils in NSW. Our licence survey of NSW councils aimed to identify the:

- ▼ licence types administered by each council
- ▼ number of licences issued for each licence type
- ▼ number of individuals and businesses holding these licences.

The survey also sought comments from councils on these licences, including ways to potentially improve them.

The survey was sent as an Excel file, pre-filled with 48 different licence types that had been identified using the Business Licence Information Service (BLIS). The councils were asked to amend the pre-filled list of licences as required and add any other licences they administer to the list.

The survey is available to view on our website:

[http://www.ipart.nsw.gov.au/Home/Industries/Regulation\\_Review/Reviews/Licence\\_Design/Licence\\_Rationale\\_and\\_Design](http://www.ipart.nsw.gov.au/Home/Industries/Regulation_Review/Reviews/Licence_Design/Licence_Rationale_and_Design).

#### 2.2.1 Key findings from the NSW local council licence survey

##### Response rate

We achieved a high response rate to the council survey of 74.3% (a survey was returned by 113 of the 152 local councils). Respondent councils represented 85.8% of the NSW population. The lowest survey return rate was by rural and remote councils.

##### Count of licences

The count of total licences issued by councils (based on raw survey responses) indicates that, for 2011/12, there were about 410,000 new licences issued, 85,000 licences renewed, and 885,000 licences in force (on 30 June 2012) (see Table 2.2).

**Table 2.2 NSW local council licences: total number of new, renewed and in force licences (2011/12)**

	New	Renewed	In force <sup>a</sup>
Number of licences ( <i>raw data</i> )	412,189	84,108	883,431
Number of licences ( <i>extrapolated data to cover 100% of NSW population</i> )	474,012	97,029	1,004,785

<sup>a</sup> Licences 'in force' on 30 June 2012.

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

Extrapolating the raw survey data to cover 100% of the NSW population, we estimate that in 2011/12 there were a total of about 475,000 new licences, 97,000 renewed licences and 1 million licences in force (on 30 June 2012) at the council level across NSW.

### Types of licences

Licences administered by councils were spread across areas of activity, affecting both individuals and businesses. On average, 1 in 7 NSW residents held a licence issued by a council in 2011/12.<sup>28</sup>

Most common licence types were:

- ▼ companion animal registration (leading in new, renewed and in force licence counts)
- ▼ building and planning-related licences
- ▼ water and sewerage-related licences, and
- ▼ waste-related licences.

Survey results show that councils administer a significant number of licence types in addition to the 48 core types that were identified using BLIS. These additional licence types account for a large proportion of new, renewed and in force licences. The significant number of licences in this category may reflect a lack of coordination across councils in classifying and administering licences, and a need for streamlining and harmonisation.

The prominence of specific licence types (eg, companion animal registration, approval to operate a system of sewage management) varies by geographic area (eg, urban vs. rural councils).

### Findings

- 1 The licence survey stocktake found that about 50 licence types are administered by local councils.
- 2 Using our licence survey data of local councils, we estimated that about 1 million local council licences were in force across NSW on 30 June 2012.

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<sup>28</sup> Here we assume that a business licence is held by a NSW resident. The denominator is the total NSW population (Australian Bureau of Statistics, 3235.0 *Population by Age and Sex, Regions of Australia*, released 31 August 2012).

## 2.2.2 NSW local council survey results

### Number and types of licences issued

Analysis of the raw survey data is presented in Appendix C. The main findings are as follows:

#### New licences

There were nine types of licences that accounted for 80% of total new licences in 2011/12 (see Figure C.5 and Table C.6 in Appendix C), these include:

Companion animal registration	17.9%
Development consent	14.3%
Not in BLIS (additional) <sup>a</sup>	10.7%
Approval to place waste in a public place	9.2%
Construction certificate	6.5%
Approval to manage trees or vegetation	6.2%
Occupation certificate	6.0%
Approval to operate a system of sewage management	5.6%
Compliance certificate	4.6%

<sup>a</sup> 'Not in BLIS (additional)' refers to additional licence types not specified in BLIS (see section C.2 in Appendix C).

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

#### Renewed licences

Three types of licences accounted for 80% and five types of licences accounted for 90% of total renewals in 2011/12 (see Figure C.6 and Table C.7 in Appendix C), these include:

Companion animal registration	44.8%
Approval to operate a system of sewage management	25.9%
Final fire safety certificate	9.3%
Not in BLIS (additional) <sup>a</sup>	8.4%
Approval to install, alter, disconnect or remove a meter connected to a service pipe	1.6%

<sup>a</sup> 'Not in BLIS (additional)' refers to additional licence types not specified in BLIS (see section C.2 in Appendix C).

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

### Licences in force

Three types of licences accounted for almost 80% and five types of licences accounted for 90% of total in force in 2011/12 (see Figure C.7 and Table C.8 in Appendix C), these include:

Companion animal registration	56.2%
Approval to install, alter, disconnect or remove a meter connected to a service pipe	11.1%
Approval to operate a system of sewage management	9.9%
Approval to connect a private drain or sewer with a public drain or sewer	9.2%
Not in BLIS (additional) <sup>a</sup>	4.9%

<sup>a</sup> 'Not in BLIS (additional)' refers to additional licence types not specified in BLIS (see section C.2 in Appendix C).

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

### Number of businesses and individuals affected

In addition to the total number of licences for each licence type, councils were asked to provide, where possible, licence numbers by type of licensee (individual, business, small business).

Only sparse 'breakdown' data was provided by councils. This limited data still allowed us to confirm that some licence types predominantly affect small businesses – eg, display of advertisements, outdoor restaurant seating and development consent.

### Data limitations

As indicated above, not all responding councils completed all parts of the stocktake survey. In particular, of the 113 local councils who provided a survey response, only 60 (53.1%) provided breakdown data, and for the majority of these councils (46 out of the 60, 76.7%) the breakdown data provided was sparse and/or incomplete.

Another limitation of the stocktake survey is that it only provides data on the number of licences. No data on licence fees or revenue was collected as part of the survey. This was because this task was considered too burdensome by councils that pilot-tested the survey.

We also note that the significance of particular licences can vary by geographic location. For example, companion animal registration accounts for 56.2% of total council licences in force state-wide, compared with 7.9% of all licences in force in rural and remote councils. Approval to operate a system of sewage management is the single most important type of licence renewed in rural and remote councils, representing 88.2% of the total (compared with 25.9% state-wide). This means that council licences that are significant for most of the NSW population, may not



be as significant for remote, rural councils, and vice-versa (see Figures C.8 – C.10 and Tables C.11 – C.13 in Appendix C).

### 2.2.3 Implications for the rest of this report

Our Final Report focuses primarily on NSW Government agency licences. There are several reasons for this:

- ▼ Our concurrent regulation review of Local Government Compliance and Enforcement considers several key council licences (including companion animal registration, fire safety certificates, and various approvals required under section 68 of the *Local Government Act 1993*).<sup>29</sup>
- ▼ Other concurrent reviews (eg, reviews of the planning system and the *Local Government Act 1993*) have also been examining or potentially affecting many council licences (eg, development consents, section 68 approvals).
- ▼ We were careful to minimise the burden our survey placed on councils, given they are currently subject to several reviews. Therefore, the data we collected from councils was more limited in scope than the data we collected from NSW Government agencies.

However, the Licensing Framework and Licensing Guide (discussed in Chapter 3) should be applied to council licences. They can be used by NSW Government agencies and/or councils to ensure that licences are well designed, efficiently administered, and only in place when they are necessary and the best option.

## 2.3 Licences administered by NSW Government departments and agencies

Under the ToR for this review, IPART was to examine all NSW licences administered at the State Government level, and identify those where reform would produce the greatest reduction in regulatory burden for business and the community.

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<sup>29</sup> Section 68 approvals include licences (approvals) related to: structures or places of public entertainment; water supply, sewerage and stormwater drainage work; management of waste; use of community land; use or occupation of public roads; and ‘other activities’ (eg, operation of a public car park, installation of a domestic oil or solid fuel heating appliance).

### NSW Government department/agency licence survey

In October 2012, IPART sent a 2-part licence survey to all (278) NSW Government departments and agencies as an Excel file.

From our preliminary research and review of legislation,<sup>30</sup> we identified 68 departments/agencies ('agencies') that appeared to administer licences. We sent these agencies an individualised survey file, prepopulated with the identified licences. The agencies were asked to amend the pre-filled list of licences as required and add any other licences they administer.

We sent a blank survey file to the 210 agencies that did not appear to administer any licences, to either confirm our research findings or provide us with details of any licences that our research did not uncover.

The survey is available to view on our website:

[http://www.ipart.nsw.gov.au/Home/Industries/Regulation\\_Review/Reviews/Licence\\_Design/Licence\\_Rationale\\_and\\_Design](http://www.ipart.nsw.gov.au/Home/Industries/Regulation_Review/Reviews/Licence_Design/Licence_Rationale_and_Design).

#### Survey 'stocktake'

The first part of the survey consisted of a licence stocktake to obtain the following licensing data from regulators:

- ▼ all licence types administered by each department or agency
- ▼ number of licences issued for each licence type
- ▼ number of individuals and businesses holding these licences
- ▼ licence fees and revenue associated with each licence type
- ▼ licence durations.

#### 2.3.1 Key findings from the NSW Government department/agency licence survey 'stocktake'

##### Response rate

We received a completed survey response from 75.9% of NSW Government agencies (211 agencies returned a response). This includes a 100% response rate for agencies that had been sent a prepopulated survey (which we initially identified as administering licences).

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<sup>30</sup> We initially identified 999 licences from publically available sources, such as the Business Licence Information Service (BLIS) and through our legislation review process. This process involved reviewing legislation (about 1,400 Acts and Regulations) for terms such as 'licence', 'permit' and 'approval'. The aim of this was to identify any other licences not captured by the BLIS and comprehensively pre-populate the licence survey, minimising the risk of agencies inadvertently excluding relevant licences from their survey responses.

Of the 211 agencies who responded to the survey:

- ▼ 121 agencies returned a survey 'nil return', as they do not administer any licences (43.5% of all departments and agencies)
- ▼ 90 agencies returned a completed survey (32.4% of all agencies),<sup>31</sup> 31 of which had not previously been identified by IPART as agencies that administer licences.

#### Finding

- 3 The licence survey stocktake confirmed that 769 licence types are administered by NSW Government agencies.

#### Count of licences

The count of total NSW Government agency licences indicates that for 2011/12, there were about 3.3 million new licences issued, 8.0 million licences renewed, and 20.8 million licences in force on 30 June 2012 (see Table 2.3 and Table D.4).

**Table 2.3 NSW Government agency licences: total number of new, renewed and in force licences (2011/12)**

	New	Renewed	In force <sup>a</sup>
Number of licences	3,300,209	8,035,804	20,751,150

<sup>a</sup> Licences 'in force' on 30 June 2012.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.4 in Appendix D).

#### Fees and revenue

The survey responses indicated that for 2011/12, NSW Government agency licence fee revenue totalled almost \$2.8 billion. About \$370 million revenue was from application fees, \$1.7 billion from renewal fees and \$360 million from processing fees (see Table 2.4 and Table D.8 in Appendix D). The licence revenue may include taxes and rents that are incorporated in licence fees, eg, the motor vehicle weight tax and lottery sales.

**Table 2.4 NSW Government agency licences: total licence revenue (2011/12)**

	Application fee revenue	Renewal fee revenue	Processing fee revenue	Total licence revenue
AUD (\$) (million)	371	1,663	361	2,800

**Note:** 'Licence fee revenue' may include taxes and rents.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.8 in Appendix D).

<sup>31</sup> There were five agencies that completed their survey response as part of another department/agency's response.

### Types of licences

Licence types that dominated, in terms of both the number of licences and revenue, fell into three main categories:

- ▼ transport (particularly dominated by vehicle registrations and driver's licences)
- ▼ environment
- ▼ occupational and construction.

### Findings

- 4 As at 30 June 2012, there were about 20.8 million NSW Government agency licences in force across NSW.
- 5 During the 2011/12 financial year, NSW Government agencies collected about \$2.8 billion in total licence revenue.

### 2.3.2 NSW Government department/agency licence survey stocktake results

The licence stocktake was the first part of the licence survey. We asked all agencies to complete this stocktake for all licence types that they administer. Agencies were asked to complete three tables for the financial year 2011/12 on:

- ▼ the number of licences: new, renewed and in force
- ▼ licence fees: application, renewal and processing fees
- ▼ licence durations: maximums and other duration options.

Analysis of the raw stocktake data is presented in Appendix D. The main findings are as follows.

### Number and types of licences issued

Agencies were asked to provide data on licence numbers by licence type in the following categories:

- ▼ new licences (issued during the financial year 2011/12)
- ▼ renewed licences (issued during the financial year 2011/12)
- ▼ licences in force on 30 June 2012.

## New licences

Vehicle registrations and driver's licences (car, provisional and learner) dominate, accounting for about 25% of new licences (ie, new licences issued in 2011/12). Despite this, the 'licence set' is more diverse and numbers are more evenly spread across the licence types for new licences when compared to renewed and in force licences. The 'Top 20' licence types still account for 76% of total new licences (see Table D.5 and Figure D.1 in Appendix D). These 'Top 20' licence types include:

Registration of a light vehicle	10.7%
Recreational fishing fee	8.1%
Application for the issue of certificates and other services in regard to Births registered in NSW	7.9%
Registration of companion animal	6.6%
Driver's licence – car	4.4%
Learner's permit	4.0%
P1 provisional driver's licence	3.1%
P2 provisional driver's licence	3.0%
Registration of births in, or deemed to be in, NSW	2.9%
Application for the issue of Certificates and other services in regard to marriages registered in NSW	2.9%
NSW photo card	2.8%
Responsible Service of Alcohol (RSA)/Responsible Conduct of Gaming (RCG) competency card	2.8%
Licence for high-risk work	2.6%
Working with children check	2.6%
Construction Induction Card	2.3%
Application for the issue of certificates and other services in regard to deaths registered in NSW	1.9%
Permit to acquire firearms (PTA)	1.9%
Application for the issue of certificates in regard to family history	1.9%
Towing authorisation	1.6%
Registration of deaths in, or deemed to be in, NSW	1.5%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.5 in Appendix D).

## Renewed licences

There were three types of licences that accounted for 82% of total renewals.

Vehicle registrations dominate for renewed licences, accounting for 72% of total renewals in 2011/12. Driver's licences (11%) follow and then licences related to boating and fishing, which represent about 8% of renewed licences.

The 'Top 10' licence types account for 94% of total renewals (see Table D.6 and Figure D.2 in Appendix D). These 'Top 10' renewed licences include:

Registration of a light vehicle	68.5%
Driver's licence – car	10.8%
Registration of a commercial or recreational vessel	2.8%
Recreational fishing fee	2.8%
Registration of a heavy vehicle	2.7%
Boat driving licence	2.2%
Mobility parking scheme permit – individual	1.2%
Home building licence	1.0%
Conditional registration	0.8%
Registration of a plant item	0.7%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.6 in Appendix D).

It should be noted that 'renewals' do not apply to about 20% of licence types included in our licence survey.

### **Licences in force**

Whilst the number of licences in force is more evenly spread across the licence types than for renewed licences, six types of licences still account for 70% of total licences in force.

Again, vehicle registrations and driver's licences (car, rider, learner, provisional and heavy rigid) dominate, accounting for about 56% of all licences in force. They are followed by companion animal registrations (11%) and licences related to construction (9%).

The 'Top 20' licence types account for 88% of total in force (see Table D.7 and Figure D.3 in Appendix D). These 'Top 20' licence types include:

Registration of a light vehicle	26.8%
Driver's licence – car	21.4%
Registration of companion animal	11.0%
Construction induction card	5.0%
Registration of firearms	3.7%
Driver's licence – rider	2.5%
Boat driving licence	2.3%
Mobility parking scheme permit – individual	1.5%
NSW photo card	1.5%
Licence for high-risk work	1.5%
Registration as a worker (building and construction)	1.4%
Learner's permit	1.4%
P2 provisional driver's licence	1.3%
Application for the issue of certificates and other services in regard to births registered in NSW	1.3%
Registration of a commercial or recreational vessel	1.1%
Driver's licence – heavy rigid	1.0%
Firearms licence	0.9%
Home building licence	0.9%
Registration of a heavy vehicle	0.8%
P1 provisional driver's licence	0.7%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.7 in Appendix D).

## Fees and revenue

Regulators were asked to provide data on the fee revenue for each licence, including:

- ▼ application fee revenue
- ▼ renewal fee revenue
- ▼ processing fee revenue
- ▼ total licence revenue (received during the financial year 2011/12).

Some agencies did not specify total licence revenue, but provided data for the other fee revenue types. To determine the total revenue from licence fees we decided to use the greater of: the sum of the application fees, renewal fees and processing fees; and total licence revenue reported by the agency.<sup>32</sup>

<sup>32</sup> For some licences, the revenue reported may include taxes and rent, eg, revenue reported for Registration of a light vehicle includes a road tax component.

### Application fee revenue

As for licence numbers, vehicle registrations also rank highly in application fee revenue, accounting for 66% of revenue.<sup>33</sup>

Driver's licences and vehicle licences/permits also rank highly in application fee revenue. Combined, they account for 12% of total application fee revenue. They are followed by licences related to construction (4%) and firearms licences (2%).

Eight types of licences account for 81% of total application fee revenue and the 'Top 20' licence types account for about 92% (see Table D.9 and Figure D.4 in Appendix D). These 'Top 20' licences include:

Registration of a light vehicle	58.3%
Registration of a heavy vehicle	7.8%
Application for the issue of certificates and other services in regard to births registered in NSW	3.2%
Home building licence	2.8%
Driver's licence – car	2.4%
Vehicle licence – private hire vehicle	2.2%
Vehicle licence – taxi	2.1%
P2 provisional driver's licence	1.9%
Firearms licence	1.6%
Licence for high-risk work	1.5%
Learner's permit	1.4%
P1 provisional driver's licence	1.4%
Application for the issue of certificates and other services in regard to marriages registered in NSW	1.2%
Application for the issue of certificates and other services in regard to deaths registered in NSW	0.8%
NSW photo card	0.8%
Registration of approved changes of name of persons resident in, or deemed to be residents of, NSW	0.7%
Building Sustainability Index (BASIX) certificate	0.6%
Construction induction card	0.5%
Application for the issue of certificates in regard to family history	0.5%
Heavy vehicle permit	0.4%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

<sup>33</sup> Vehicle registration fees include a Motor Vehicle Tax component ('weight tax'). Revenue from this tax helps fund road construction and maintenance. NSW Roads and Maritime Services (2012), *Fees and concessions*, <http://www.rta.nsw.gov.au/registration/feesconcessions/index.html>, accessed 20 March 2013.



### Renewal fee revenue

Vehicle registrations account for 89% of total renewal fee revenue.<sup>34</sup> Driver's and vehicle licences account for a further 6%.

The 'Top 10' licence types account for 99% of total renewal fee revenue (see Table D.10 and Figure D.5 in Appendix D). These 'Top 10' include:

Registration of a light vehicle	76.1%
Registration of a heavy vehicle	13.2%
Driver's licence – car	5.9%
Registration of a commercial or recreational vessel	1.4%
Home building licence	1.3%
Vehicle licence – taxi	0.3%
Occupation permit (forestry)	0.2%
Operator accreditation – taxi	0.1%
Licence for a food transport business for dairy, meat, plant products, seafood, eggs & egg related products & game meat	0.1%
Children's service licence – centre-based <sup>a</sup>	0.1%

<sup>a</sup> This licence no longer exists – it was replaced by the Approval for an education and childcare service – centre based care, concurrent with the implementation of the National Quality Framework in January 2012.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.10 in Appendix D).

Renewal licence fee revenue data was only reported for 63% of licence types, as this category of fee does not apply to all licence types.

### Processing fee revenue

Vehicle registrations dominate, accounting for 97% of total processing fee revenue.

The 'Top 10' licence types account for 99% of total processing fee revenue (see Table D.11 and Figure D.6 in Appendix D). These 'Top 10' include:

Registration of a light vehicle	92.2%
Registration of a heavy vehicle	4.5%
RSA/RCG competency card	1.8%
Registration of a commercial or recreational vessel	0.3%
Conditional registration	0.2%
Land surveyor	0.1%
Section 15B certificate (Mine Subsidence Board)	0.1%
Permit to conduct a lottery – trade promotion – single promotion	0.1%
Tow truck driver's certificate	0.1%
Trade waste agreement – minor	0.1%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

<sup>34</sup> Ibid.

Processing licence fee revenue data was only reported for 60% of licence types, reflecting that this category of fee does not apply to all licences.

### Total licence revenue

Vehicle registrations account for 74% of total licence revenue.<sup>35</sup> Licences to conduct public lotteries follow (12%), then driver's and vehicle licences (5%).

Four types of licences account for 90% of total licence revenue and the 'Top 20' licence types account for about 96% of total licence revenue (see Table D.12 and Figure D.7 in Appendix D). These 'Top 20' include:

Registration of a light vehicle	64.8%
Licence to conduct public lotteries	12.1%
Registration of a heavy vehicle	9.4%
Driver's licence – car	3.8%
Home building licence	1.1%
Registration of a commercial or recreational vessel	0.9%
Environment protection licence	0.6%
Recreational fishing fee	0.5%
Vehicle licence – taxi	0.5%
Application for the issue of certificates and other services in regard to births registered in NSW	0.4%
Vehicle licence - private hire vehicle	0.3%
P2 provisional driver's licence	0.3%
RSA/RCG competency card	0.2%
Registration of companion animal	0.2%
Firearms licence	0.2%
Licence for high-risk work	0.2%
Learner's permit	0.2%
P1 provisional driver's licence	0.2%
Applications for the issue of Certificates and other services (excluding the conduct of marriage ceremonies) in regard to Marriages registered in NSW	0.2%
Accreditation as a New Scheme Teacher	0.2%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.12 in Appendix D).

In interpreting this data, it should be noted that for some licence types, no data was provided on application, renewal, and processing fees (as these were not known by, or not available from, the relevant agency), yet data on total fee revenue was included in the stocktake response.

<sup>35</sup> Ibid.

## Individual/business breakdowns

### Finding

- 6 There is limited data available on licence numbers/revenue that connects businesses and small businesses to licence types in NSW.

The ToR required us to identify the number of businesses and individuals affected by each NSW Government department/agency licence type. However, as for the local council licence survey, whilst most NSW Government agencies provided the total number of licences, they did not provide data on individual/business licensee breakdowns for the majority of licence types.

Furthermore, the breakdown data that were provided was often sparse and incomplete. For the 769 licence types, 'unknown' or 'unavailable' was indicated for between 39% of licence types for 'all business' new licences and 72% of licence types for 'all business' renewal fee revenue (see Table D.13 in Appendix D).

In addition, agencies were even less likely to provide breakdown data relating to small business. Table 2.5 (below) specifies the allocation of new, renewed and in force licences for individuals and all businesses (where this data was reported).

**Table 2.5 NSW Government department/agency licences: Total number of new, renewed and in force licences (2011/12)**

Licence category	Total <sup>b</sup>	Individual	All business
New	3,300,209	2,396,213	331,204
Renewed	8,035,804	6,931,167	938,322
In force <sup>a</sup>	20,751,150	12,630,330	2,450,508

<sup>a</sup> Licence 'in force' on 30 June 2012.

<sup>b</sup> 'Individual' and 'All business' do not sum to equal 'Total' due to incomplete 'Individual' and 'All business' breakdown data.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table D.4 in Appendix D).

In its submission to our Draft Report, the Office of the Small Business Commissioner comments that it would be beneficial to collect small business specific data in relation to licensing schemes.<sup>36</sup> With this data, it would be possible to identify the impact of licences and licensing reforms on small businesses in NSW.

We recognise that the need for the collection of such data should be balanced against the risk of adding red tape. Targeted information collection is a component of efficient and effective licence administration under the Licensing Framework (see Chapter 3). The need to include small business breakdown in the data or information collection should be assessed by the agencies using the Licensing Framework.

<sup>36</sup> NSW Small Business Commissioner - Hobbs, R., submission to IPART, 3 July 2014.

### Durations

For licences where the licence duration was specified, it was:

- ▼ ongoing (no fixed term) for 25.0% of licence types
- ▼ 1 year for 21.3% of licence types
- ▼ 5 years for 15.2% of licence types
- ▼ variable for 8.3% of licence types
- ▼ 3 years for 6.9% of licence types
- ▼ per activity for 5.4% of licence types
- ▼ less than 1 year for 5.2% of licence types
- ▼ not applicable for 4.2% of licence types (see Table D.14 in Appendix D).

The mean reported duration was highest for ageing, disability or children licences (14 years), liquor, gaming or racing licence types (12.6 years), mining (8.2 years) and electricity, gas or water licence types (7.1 years) (see Table D.15 and Figure D.8 in Appendix D). However, this does not include licence types where the duration was ongoing, per activity or variable.

### Data limitations

The survey responses provide quite comprehensive data on licences administered by NSW Government agencies. Although, as for the local council licence survey, not all agencies that responded to the survey completed all parts of the stocktake.

In response to our licence survey, agencies more often provided data on total numbers and total revenue than individual and business data.

However, data on total numbers and total revenue were, for some licence types, still unknown or unavailable. For the 769 licence types, unknown or unavailable was indicated for:

- ▼ 2.6% of licence types for total new licences
- ▼ 8.6% of licence types for total renewed licences
- ▼ 6.1% of licence types for total licences in force
- ▼ 25.6% of licence types for total application fee revenue
- ▼ 29.8% of licence types for total renewal fee revenue
- ▼ 33.6% of licence types for total processing fee revenue
- ▼ 16.8% of licence types for total licence revenue (see Table D.3 in Appendix D).

## 2.4 What are the significant licences in NSW?

### Survey 'questionnaire'

The second part of the NSW Government agency survey was a questionnaire for 'significant' licences. The questionnaire aimed to elicit further relevant information on significant licences relating to licence objectives, design, administration, compliance, as well as ways to potentially improve the licences.

We classified licences as 'significant' if they:

- ▼ affect a high number of businesses and/or individuals
- ▼ impose significant cost (regardless of numbers affected)
- ▼ have a strategic and/or significant impact(s) on the economy or community.

Based on our research,<sup>37</sup> we initially identified 230 licence types, included in the licence survey,<sup>38</sup> as meeting the definition of a 'significant' licence outlined above. We then asked agencies to review and amend (where necessary) their pre-filled significant licences, in order to confirm which of their licences meet this definition.

Table D.2 in Appendix D sets out the pre-filled significant licences for which we did not receive a survey response, and so were not included in our licence database.

### 2.4.1 Summary of licence survey data on 'significant' licences

#### Finding

- 7 310 of the 769 licences in NSW are classified as 'significant'.<sup>39</sup> Combined, these 310 licences represent about 99% of all licences by volume and almost 100% of licence revenue raised (for NSW Government licences).

A more detailed profile of the significant licences is contained in Appendix E. The main licence classifications, objectives and functions for significant licences are outlined below.

<sup>37</sup> We identified licences as significant based on our legislation review and publically available sources, such as the BLIS.

<sup>38</sup> We sent an individualised, prepopulated, survey form to 68 departments/agencies that, based on our initial research, appeared to issue 999 different licence types between them.

<sup>39</sup> Of these 310 licence types, 269 were presented as 'significant' in our Draft Report. We have identified an additional 41 licence types as significant and incorporated them into our summary of licence survey data on 'significant' licences – see Appendix H and P.

### Licence classifications

Excluding the 'other' classification, the four main licence classifications regulators nominated for their significant licences were:

- ▼ environment, plants or animals (15%)
- ▼ occupational (15%)
- ▼ electricity, gas or water (9%)
- ▼ health or pharmaceutical (7%).<sup>40</sup>

### Licence objectives

When asked to nominate their significant licence's main objectives, the most common responses were to:

- ▼ protect the community (54%)
- ▼ manage the environment (28%)
- ▼ protect consumers (26%).<sup>41</sup>

Only 8% of significant licences had facilitating competition and improving how markets work as their main objectives.

### Licence functions to achieve these objectives

Significant licences primarily achieve these objectives through:

- ▼ imposing conduct rules on licensees (eg, prohibiting licensees from engaging in specific activities) (78%)
- ▼ enabling regulators to conduct enforcement activities against licensees (72%)
- ▼ mandating attributes for licensees (eg, requiring licensees to be of fit and proper character) (48%).<sup>42</sup>

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<sup>40</sup> IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

### 2.4.2 Implications for the rest of this report

In addition to the data obtained via the survey 'stocktake' and presented in this chapter, we have used the 'questionnaire' data to identify licence reform priorities and develop reform recommendations. The survey data has been analysed in relation to six specific areas where there appears to be scope to improve the 'significant' licences:

- ▼ modify licence duration
- ▼ adopt best practice when setting licence terms and conditions
- ▼ regularly review licences using best practice methods and implement improvements substantiated by these reviews
- ▼ set licence fees on a logical basis and establish mechanisms to ensure they are regularly adjusted
- ▼ ensure the compliance regime is targeted to licence risks
- ▼ improve licence administration by providing greater clarity around licence processing times and offering more online licence services (see Appendix E).

These six reform areas are based on best practice licensing principles, focusing on those contained in Stages 2 (licence design) and 3 (licence administration) of the Licensing Framework (discussed in Chapter 3).

Reform priorities and specific licence reform recommendations relating to NSW Government department/agency licences are detailed in Chapters 5 and 6 of this report.

### 3 Framework to assess licences in NSW

Under our Terms of Reference, we are required to develop a framework that can be used when considering new licences or reviewing existing licences. Specifically, the framework should help:

- ▼ assess when licensing is the most efficient way of addressing identified problems and risks compared with other options
- ▼ assess whether the design elements of a licence – including its scope, conditions, duration and fees and charges – are consistent with its purpose
- ▼ assess ways to improve the administration of the licence
- ▼ consider best practice design elements across licence types and in other jurisdictions.

We are also required to develop a tool or guide that NSW Government departments can use to self-assess against the framework.

We engaged PricewaterhouseCoopers (PwC) to assist us in developing the framework and the accompanying guide. These documents are titled:

- ▼ *A best practice approach to designing and reviewing licensing schemes* (Licensing Framework), and
- ▼ *A best practice approach to designing and reviewing licensing schemes – Guidance material* (Licensing Guide).

The Licensing Framework and Licensing Guide are available on our website, alongside this report.

The Licensing Framework and Licensing Guide are intended to ensure that licensing is only considered when necessary and appropriate, that licences are well designed and efficiently administered, and that they are only established when they are the best response to a particular risk or policy objective.

This chapter summarises the Licensing Framework and Licensing Guide as they now stand; considers stakeholder comments on earlier, draft versions of these documents; and outlines our recommendations in relation to the application of the Licensing Framework and Licensing Guide in NSW.



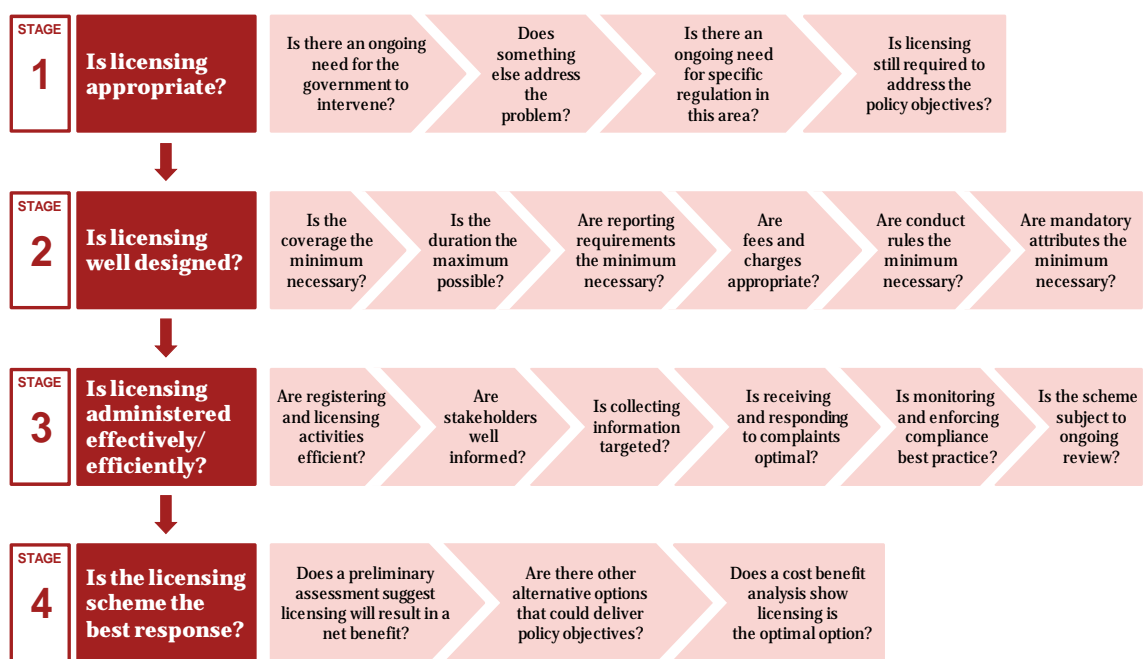
### 3.1 Overview of the Licensing Framework

The Licensing Framework is an assessment tool for existing and proposed licences. It consists of four stages, which require a regulator to:

- ▼ justify that government action is required to address a specific problem or risk and that licensing is appropriate (**Stage 1**)
- ▼ assess whether the licence is well designed – taking into account how its objectives relate to its coverage, duration, reporting requirements, fees and charges, conduct rules and mandatory attributes (**Stage 2**)
- ▼ assess whether the licence is administered effectively and efficiently (**Stage 3**)
- ▼ confirm that licensing is the best response when comparing its costs and benefits against other options (**Stage 4**).

An overview of the four stages of the Licensing Framework, including elements within each stage, is presented in Figure 3.1 below.

**Figure 3.1 The Licensing Framework**



**Data source:** PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material*, p 8.

### 3.1.1 Progressing through the four stages of the Licensing Framework

The four stages of the Licensing Framework are part of a flowchart (or decision tree). Each stage has a number of discrete questions or steps. A regulator should only progress to the next stage once all steps in the current stage have been answered. If an answer does not allow for progression to the next stage, the licence will need to be reviewed at that point. (See Box 3.1).

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#### Box 3.1 Progressing through the four stages

- ▼ Stage 1 looks at whether licensing is appropriate. If a licence fails this assessment, then the regulator has not established a clear rationale for a licence. If a licence passes the Stage 1 assessment, it is an appropriate option and the regulator can then proceed to Stage 2.
  - ▼ Stage 2 tests whether the licence design is ‘fit for purpose’ – ie, whether its terms and conditions match its objectives and impose only the minimum necessary requirements on licence holders. Any flaws identified in licence design during Stage 2 should be addressed before moving to Stage 3.
  - ▼ Stage 3 examines whether there is scope to improve the efficiency of licence administration – including the application process, information provided to and by licence holders, responding to complaints and queries, and enforcement practices. Any inefficiencies in licence administration should be addressed before proceeding to Stage 4.
  - ▼ Stage 4 is intended to confirm the licence is the best response, when compared with other regulatory and non-regulatory options. Essentially, this final step requires the regulator to undertake a proportionate cost-benefit analysis of the final licensing scheme (including design and administration) to confirm that it is the best option.
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Applying the Licensing Framework to an existing or proposed licence should highlight any deficiencies in its justification, design or administration. The framework has been designed so that a decision to retain an existing licence or proceed with a proposed licence means that:

- ▼ there is a clear case for a licence
- ▼ the licence’s design is ‘fit for purpose’ and imposes the minimum necessary requirements or burdens on licensees
- ▼ the licence’s administration follows best practice
- ▼ the licence is the best response to address identified problems or objectives.

The sections below discuss the four stages of the Licensing Framework in more detail, including the steps within each of these stages.

### 3.2 Stage 1 – Is licensing appropriate?

Stage 1 of the Licensing Framework includes four steps, which are designed to establish whether licensing is appropriate to address a particular problem or risk. These steps require the regulator to establish:

1. there is an ongoing need for government to intervene
2. existing or generic laws are insufficient to address the problem
3. there is an ongoing need for specific regulation in this area – ie, that non-regulatory approaches are insufficient to address the problem, and
4. licensing is required to address the policy objectives.

Each of these steps is explained in more detail below.

#### Step 1 – Is there an ongoing need for government to intervene?

Answering this question is a two part process.

First, there must be a clear rationale for government to take action (in the form of an existing or proposed licensing scheme). Government action is often justified on the grounds that, in the absence of action, the ‘market’ would fail to operate efficiently and/or adversely impact on at least some segments of the community. Government action may also be necessary to achieve a specific policy objective.

Second, the regulator needs to establish whether the benefits of government action are likely to exceed the costs. Government action is only justified if it is expected that it would improve outcomes that would otherwise occur in the market in the absence of action. According to PwC, this is likely to occur where **all** of the following factors are present:

- ▼ the risk of detriment from no action is high (using a simple risk assessment)
- ▼ the ability to remedy is poor, and
- ▼ the market is unable or unlikely to respond to solve the problem.

#### The risk of detriment from no action is high

The risk of detriment depends on both the **likelihood** of a negative event occurring and the **consequences** of this negative event (ie, the size of the detriment that would occur as a result of that event).

Some events might be highly unlikely, but have very high consequences (thus creating a high overall risk rating). Other events might have only moderate consequences, but be widespread or affect a particularly vulnerable group. This would also result in a high overall risk rating.

On the other hand, some events may be highly unlikely to occur and, even if they did occur, have only low or moderate consequences. These would have a low risk rating.

The risk of detriment from no action is high if:

- ▼ the likelihood of a negative event is high (ie, it is common or frequent)
- ▼ the size of the detriment that would result from this event is large
- ▼ vulnerable individuals are involved.

#### The ability to remedy is poor

Remedies are measures to repair, restore or compensate for detriment that occurs. Considerations when assessing the ability to remedy include the nature of the potential detriment and the costs and time involved in seeking a remedy.

Some adverse consequences of an event may be remedied relatively easily at low cost (eg, by providing financial compensation). Others, however, may be impossible to remedy (eg, loss of human life or adverse health or environmental effects) or very costly to remedy (eg, if courts are required).

The ability to remedy should be considered separately from the risk of detriment. PwC explains that in some cases there may be a high risk of detriment, but this detriment or loss could be addressed through available remedies.

For instance, under a scenario of no government intervention to address a particular risk or potential problem (eg, misconduct), there may be a high risk of financial losses (for instance, due to the large amount of money that could be lost and the likelihood of losing this money). However, the ability to remedy the financial loss may be fairly good, due to the availability of insurance. In this case, while the risk of detriment may be high, the ability to remedy is good – which means there is no ongoing need for government to intervene.<sup>43</sup>

#### The market is unable or unlikely to solve the problem

Government action may be necessary where the market is unable or unlikely to solve the problem.

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<sup>43</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material* (PwC Licensing Guide), p 16.

Despite a high risk rating and poor ability to remedy the problem, there may be some cases where the market can provide a solution without government action. Changes in technology, demographics, and consumer or community preferences may introduce a new solution to the problem, making government intervention unnecessary. For instance, the internet and associated technology has significantly increased the ability of consumers and other parties to access and disseminate information. This, therefore, has the potential to solve some problems that may have related to a lack or unequal distribution of information.

Consideration should therefore be given to how the market has evolved, and may continue to evolve. Consideration should also be given to whether there are any barriers to the market addressing the problem, and whether these can be removed.

Box 3.2 provides an overview of the Stage 1 assessment (ie, Is licensing appropriate) for property valuers.

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### **Box 3.2 Case study: Property valuers**

PwC's case study on property valuers demonstrates how changes over time may alter the need for government action. The rationale for licensing property valuers in NSW in 1975 was that consumers did not have the necessary knowledge to determine the quality of valuation services provided. In addition, as property valuer assessments can underpin investment decisions of companies and individuals, poor valuations can have adverse consequences for consumers of valuation services.

The industry and market place in which property valuers operate have experienced changes that mitigate the need for government action to address information asymmetry, including:

- ▼ introduction of the Australian Consumer Law in January 2011
- ▼ the role of professional associations (such as the Australian Property Institute)
- ▼ the nature of the client base of property valuers: 80% to 95% of clients are large corporations that repeatedly and frequently engage property valuers, meaning they are well placed to assess the quality of a service
- ▼ the significant amount of information available to consumers via the internet.

These changes suggest that, in the case of property valuers:

1. there may be no ongoing rationale, or a reduced need, for government intervention
2. generic laws and remedies could be sufficient to address any remaining problem.

PwC's full case study on property valuers is at Appendix B of the Licensing Guide. This licence is also discussed further in Chapter 6 of this Final Report.

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## Step 2 – Does something else address the problem?

This stage of the Licensing Framework asks the question: does something else, apart from the existing or proposed licensing scheme, address the risk or problem identified in Stage 1. The ‘something else’ is existing broader or generic laws and rules (Acts and regulations). If there are existing laws or rules (beyond the licensing scheme) that can be used to address the problem, then a more specific action (such as licensing) may not be needed.

For existing licences, this stage requires consideration of the environment that would occur if the current licensing scheme did not exist. For example, if the licensing scheme was not in place, would broader laws or related regulations be sufficient to address the problem identified in Stage 1?

This step recognises that the legislative framework in Australia and NSW is extensive. Individuals and businesses are already subject to broad generic laws such as:

- ▼ competition, consumer and fair trading laws
- ▼ occupational health and safety laws
- ▼ environmental protection laws
- ▼ food safety laws
- ▼ company law
- ▼ criminal law.

Therefore, apart from existing generic laws, further government action (in the form of an existing or proposed licensing scheme) to address a particular risk or problem may not be required. Additional action is only justified if the broader legislative framework is insufficient in coverage or focus, or impractical to apply to the specific problem. Using generic laws where possible also provides greater consistency in the way problems are addressed and often imposes less of a burden on individuals and organisations.

The Licensing Guide notes that generic laws should be identified in a comparative sense. That is, generic laws should be considered as those that already exist and sit above or at a broader level than the specific area being considered for licensing.<sup>44</sup>

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<sup>44</sup> PwC Licensing Guide, p 20.

### Step 3 – Is there an ongoing need for specific regulation in this area?

Even if additional government action (apart from the existing, broader regulatory framework) is required to address a particular problem, this does not necessarily need to be in the form of **new regulatory action** (eg, licensing). Governments can undertake a range of other actions, including:

- ▼ targeted information campaigns
- ▼ targeted enforcement using existing laws and regulations
- ▼ sector-specific codes of conduct.

There is a potential role for regulation only if these other options would be inefficient or ineffective in addressing the problem. This is likely to be the case if:

- ▼ enforcement is needed to address the problem, and
- ▼ such enforcement is most efficiently achieved through administrative sanctions (eg, fines and other sanctions issued by the regulator) rather than, for example, the courts under generic law.

### Step 4 – Is licensing still required to address the policy objectives?

This step considers whether a licensing scheme is necessary (or still necessary) to achieve the government's objectives in addressing the problem.

It does this by requiring the regulator to:

1. clearly define the policy objectives of the specific regulation, and then to consider whether each of these objectives match the functions that licensing can achieve
2. consider whether licensing is the best option to perform those functions.

Identifying the role that licensing should play (its 'function') in achieving regulatory objectives is central to determining whether licensing is necessary and, if so, the appropriate form that licensing should take.

#### The functions of licensing

According to the Licensing Guide, functions of licensing can be divided into two types - policy driven functions and administrative functions.<sup>45</sup> Figure 3.2 below lists the functions of licensing and examples of licence requirements that perform each function.

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<sup>45</sup> PwC Licensing Guide, p 29.

**Figure 3.2 Functions of licensing**

Function	Examples of licensing requirements that perform this function
<b>Policy driven functions</b>	
Mandating business attributes or structures	<ul style="list-style-type: none"> <li>• Prudential requirements (e.g. insurance)</li> <li>• Probity requirements (e.g. 'fit and proper person' test, criminal record)</li> <li>• Minimum age</li> </ul>
Ensuring minimum competency	<ul style="list-style-type: none"> <li>• Ensuring minimum qualifications, training or experience</li> <li>• Competence testing or assessments</li> <li>• Ensuring ongoing professional development or training</li> </ul>
Imposing specific conduct rules	<ul style="list-style-type: none"> <li>• Information disclosure</li> <li>• Prohibiting specific conduct</li> <li>• Requiring certain business practices (e.g. use of equipment)</li> </ul>
Providing avenues for redress	<ul style="list-style-type: none"> <li>• Mandatory dispute resolution processes</li> <li>• Creating administrative sanctions or remedies</li> </ul>
Restricting the quantity of activities undertaken	<ul style="list-style-type: none"> <li>• Limiting participants in the sector</li> <li>• Limiting total quantum of activities undertaken</li> </ul>
<b>Administrative functions</b>	
Enabling policy-making or enforcement	<ul style="list-style-type: none"> <li>• Collection of information related to regulated entities</li> <li>• Creation of regulatory powers</li> <li>• Creation of administrative sanctions (e.g. fees)</li> </ul>
Generating funds	<ul style="list-style-type: none"> <li>• Collecting revenue to fund regulatory activities</li> <li>• Collecting revenue that reflects the 'rents' associated with scarce licences</li> </ul>

**Data source:** PricewaterhouseCoopers (PwC), (2013), *A best practice approach to designing and reviewing licensing schemes - Guidance material*, pp 29-30.

### Is licensing necessary to perform these functions?

The Licensing Guide also notes that, in broad terms, licensing is only necessary if:

- ▼ there is a need to restrict the quantity of activities undertaken (eg, restricting extraction of natural resources), and/or
- ▼ the administrative functions of licensing ('enabling policy making or enforcement' and 'generating funds') are necessary.<sup>46</sup>

In either case, one or more of the policy driven functions of licensing may also be necessary. If so, the licence should include conditions to give effect to these functions. If not, the licence should not impose conditions. Licences that have no policy driven functions – and hence generally impose minimal regulatory burden – include notifications, registrations and accreditations.

<sup>46</sup> PwC Licensing Guide, p 32.



If only policy driven functions are necessary, licensing is not an appropriate option. This is because policy driven functions can be implemented, for example, through specific (non-licensing) regulations. Such regulation could introduce the function without the regulatory burden and restriction of competition that licensing creates. Box 3.3 below presents an example of a licensing scheme where it is not clear that the functions of licensing are still required to achieve the policy objectives.

The Licensing Guide also states that while administrative functions include ‘Generating funds’, licensing (and the associated fee collection) is not justified if funding licence processing is the *only* reason for the licence to exist. ‘Generating funds’ is only a valid function on its own if it recovers for activities such as monitoring and enforcement, as well as licence processing costs.<sup>47</sup>

#### Privilege vs. Permission licensing

PwC notes that the number of licences issued should only be limited if the function ‘Restricting the quantity of activities undertaken’ is an expressly desired function.<sup>48</sup> This type of licensing, which gives a limited number of licensees the right to undertake an activity to the exclusion of others, is known as ‘privilege licensing’. It imposes a high degree of restriction on competition, and therefore requires strong justification. It is often used, for example, to restrict access to natural resources (eg, commercial fisheries and bulk water) in order to ensure their sustainable use.

‘Permission’ licensing gives licensees the right to undertake an activity, but the number of licences is not limited, meaning any applicant that satisfies the requirements can hold a licence.

The distinction between ‘privilege’ licensing and ‘permission’ licensing is also important in Stage 2, when considering appropriate licence fees and charges.

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<sup>47</sup> PwC Licensing Guide, p 33.

<sup>48</sup> Ibid.

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**Box 3.3 Case study: Liquefied Petroleum Gas (LPG) distributors**

In order to operate an LPG distribution system in NSW, a LPG distributor must be licensed. There are five licensed LPG distributors, supplying customers with LPG by way of a distribution system. The objectives of the *Gas Supply Act 1996* include:

- ▼ encouraging the development of a competitive market in gas;
- ▼ protecting the interests of customers and to promote customer choice in relation to gas supply (including facilitating continuity of supply);
- ▼ promoting the safe operation of gas distribution pipelines, distribution systems, and safe use of gas.

The Minister for Resources and Energy may impose a number of conditions on a licence including supply districts, technical or prudential criteria and insurance cover in respect of specified risks.

While IPART administers LPG licences (and other gas authorisations) on behalf of the Minister, NSW Trade & Investment is the technical and safety regulator for all types of gas under the *Gas Supply (Safety and Network Management) Regulation 2008*. All gas network operators must prepare Safety and Operating Plans, which govern their operations and are annually audited by an independent auditor to assess performance against the Plan.

NSW Trade & Investment has reported that this process has been effective in providing safe and reliable gas networks, with no public or network worker fatalities on any gas network since 1997.<sup>a</sup> This safety regulation therefore effectively addresses the most significant objective of LPG licensing.

It is not clear that licensing of LPG distributors is still required to achieve the policy objectives. Rather, imposing conduct requirements through regulation may be more appropriate to address any remaining policy objectives.

We applied the Licensing Framework and Guide to assess the LPG distribution licence. We found that in the absence of the LPG distributor licence, the licence's policy objectives would be achieved through existing legislation with some minor gaps that could be addressed through legislative amendment.

This licence is discussed further in Chapter 6 of this Final Report.

<sup>a</sup> NSW Trade & Investment, *2011-2012 NSW Gas Networks Performance Report*, p 5.

**Source:** IPART analysis of LPG distributor licences and IPART (2014), *Assessment of LPG distribution licence – Application of the Licensing Framework*, August 2014.

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### 3.3 Stage 2 – Is licensing well designed?

Having established that licensing is an appropriate option, Stage 2 of the Licensing Framework requires the regulator to assess whether the licensing scheme is well designed.

According to the Licensing Guide, the licensing scheme is well designed if:<sup>49</sup>

- ▼ **Licence coverage is the minimum necessary** – the licence should efficiently target products, people or places, given risks, costs and the problem it is seeking to address.
- ▼ **Licence duration(s) is the maximum possible** – duration should be set to reflect the expected frequency of change to the elements of the licence (ie, the longer the period of no change, the longer the licence duration).
- ▼ **Reporting requirements are the minimum necessary** – reporting requirements should be targeted and necessary (ie, aimed at promoting transparency and/or accountability, or to enable policy-making or enforcement). They should be outcomes-focused and used by the regulator or other parties (if not used, they are unlikely to be the minimum necessary).
- ▼ **Fees and charges are appropriate** – fees and charges should generally be set to recover the efficient costs of administering regulation, unless the licence is used to restrict quantity (in which case they should reflect the economic value of the licence).
- ▼ **Conduct rules are the minimum necessary** – conduct rules should only be applied if the risk is great, ability to remedy is poor, financial remedies insufficient, and the risk is driven by the licence holder's behaviour. Conduct rules should focus on outcomes, not duplicate other obligations and be enforceable.
- ▼ **Mandatory attributes are the minimum necessary** – if risk is driven by the licence holder's characteristics, mandatory attributes should reduce the risk of the problem or provide remedy when a problem occurs. Mandatory attributes should be clear, measurable, relevant, accessible and not merely a barrier to entry.

That is, a licensing scheme is well designed if it imposes the lowest possible cost on licence holders, while achieving the licence's objectives.

<sup>49</sup> PwC Licensing Guide, pp 41-58.

As overarching guidance for licensing design, PwC states that regulators should consider the following concepts when evaluating each design element:<sup>50</sup>

- ▼ Licence requirements in other jurisdictions and comparable sectors – if there are differences in requirements across jurisdictions or comparable sectors, consideration should be given to harmonisation, mutual recognition or unilateral recognition.
- ▼ Whether the requirements being imposed are proportionate to the risk they seek to address.
- ▼ Engagement and consultation with stakeholders to better inform the analysis, while understanding the context and motivations behind stakeholder views.
- ▼ The importance of unbundling licence functions, as the most suitable settings for licence design elements (eg, coverage, duration, conditions imposed, fees and charges) may vary for different licensing functions.
- ▼ Whether elements of the licensing scheme could be consolidated or made consistent with other similar or relevant licensing schemes.
- ▼ Changes that may have occurred over time and implications for each design element. This is particularly important when reviewing an existing licensing scheme, as the context around the scheme may be different from when it was initially designed.
- ▼ The costs and benefits of various design options.

### 3.4 Stage 3 – Is licensing administered effectively and efficiently?

Stage 3 of the Licensing Framework assesses licence administration. This includes registration and licensing procedures, educational activities, information collection and management, complaints management, monitoring and enforcing compliance, and the extent to which the licensing scheme is subject to periodic review. It recognises that even the best designed licence system may fail to achieve its objectives, if it is poorly administered.

This stage checks that the licence adopts best practice administrative processes:

- ▼ the licence application procedure is as seamless as possible
- ▼ communication between licence holders and the regulator is effective
- ▼ stakeholders are well informed about their licences
- ▼ information collection from licensees is targeted
- ▼ the enquiries/ complaints mechanism is effective and efficient
- ▼ compliance is monitored and enforced using a risk based approach, and
- ▼ the scheme is subject to ongoing review.

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<sup>50</sup> PwC Licensing Guide, pp 37-40.

### 3.5 Stage 4 – Is licensing the best regulatory response?

After justifying the case for a licence, subjecting the licence design to a ‘fit for purpose’ test, and then assessing licence administration (Stages 1 to 3), the final stage of the Licensing Framework is to ensure that the licence is indeed the optimal option. This involves assessing the costs and benefits of the licence, and comparing these to the costs and benefits of any other viable options to achieve the objectives of the regulatory action. The list of alternative options should also include ‘doing nothing’.

Stage 4 takes a three step, proportionate approach to this cost benefit analysis, involving:

- ▼ a preliminary assessment of whether licensing is likely to result in a net benefit
- ▼ a consideration of whether there are alternative options (regulatory and non-regulatory) that could achieve the Government’s policy objectives
- ▼ a full cost benefit analysis to test whether licensing is the best way to achieve the Government’s objectives.

The preliminary assessment (step 1 of Stage 4) is intended to guide the following two steps of this stage.

#### Existing licensing schemes

For existing licences that have progressed through Stages 1 to 3, if it appears that there are clear net benefits from maintaining the licensing scheme, the final two steps in Stage 4 (that require a full cost benefit analysis of licensing against other options) may not be necessary, unless the review is required as part of a statutory review process. The Licensing Framework explains that this allows for a review of an existing licensing scheme (via Stages 1 to 3), without the need to fully re-assess licensing against a full suite of options through cost benefit analysis.<sup>51</sup>

In contrast, if the preliminary assessment indicates the existing licensing scheme is leading to net costs, or the net impact is unclear, an agency should continue through the Licensing Framework (steps 2 and 3 of Stage 4) to identify if the licensing scheme is the best response. It may also be beneficial to continue through the framework if a viable alternative to licensing has been identified, which may lead to net benefits.

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<sup>51</sup> PwC Licensing Guide, p 71.

### Proposed new licensing schemes

When considering a proposed licensing scheme, the following process should be followed:

- ▼ If the preliminary assessment indicates there are likely to be **net benefits** from the proposed licensing scheme, or the **net impact is unclear**, the agency should continue through the Licensing Framework to identify if the proposed licensing scheme is the best response. The remaining two steps of the framework are required to ensure a full and detailed analysis is undertaken before a new licensing scheme is introduced.
- ▼ If the preliminary assessment indicates there are clear **net costs** from the proposed licensing scheme, it is unlikely to be the best response and may not be appropriate to consider as an option going forward. The remaining two steps of the Licensing Framework might not be necessary. However, if desired, these two steps can be used to identify and assess other alternative options. This would lead into the more detailed cost benefit analysis required for new regulatory or government actions.

### 3.6 Stakeholder comments on the Licensing Framework and Licensing Guide

We released an earlier, draft version of the Licensing Framework and Licensing Guide for stakeholder review and comment on 30 October 2012, with our Issues Paper for this review. We also directly approached key NSW Government regulators (or licensors) to obtain their views on the Draft Licensing Framework and Licensing Guide.<sup>52</sup> Furthermore, we devoted a session of our 12 February 2013 public roundtable to discussing the Licensing Framework and Licensing Guide with key NSW Government and non-government stakeholders.<sup>53</sup>

Stakeholders were generally supportive of the Draft Licensing Framework and Licensing Guide. However, issues raised by stakeholders suggested that the earlier versions of these documents should:

- ▼ include more practical guidance and examples to explain or demonstrate important points
- ▼ explain more clearly how the Licensing Framework applies to both existing and proposed new licences
- ▼ explain how the Licensing Framework relates to existing Better Regulation Statement (BRS) and Regulatory Impact Statement (RIS) requirements

<sup>52</sup> Stakeholder meetings held during the course of this review, including with key licence regulators, are listed at Appendix O.

<sup>53</sup> Public roundtable participants are listed at Appendix O.

- ▼ require the agency (applying the Licensing Framework) to apply the competition test<sup>54</sup> in assessing its existing or proposed new licence
- ▼ address/consider national licensing arrangements (eg, efforts to harmonise licences across states and territories)
- ▼ require the agency to be conscious of other, related regulatory instruments, and not consider each licence in isolation
- ▼ require the agency to engage and consult with stakeholders in developing a proposed licence or reviewing an existing licence.

As explained further below, we consider the Licensing Framework and Licensing Guide, as they currently stand, now largely address these issues and concerns.

### 3.6.1 More practical guidance and examples

Relative to the earlier version, the Licensing Guide now includes more practical guidance and examples. In particular, the following four licence case-studies are now included as appendices to the Licensing Guide:

- ▼ commercial fishing licence
- ▼ farm milk collector licence
- ▼ property valuer licence
- ▼ travel agent licence.

These case-studies are not intended to definitively assess the four licences against the Licensing Framework. Rather they are intended to test and (at a relatively high level) demonstrate the framework. We consider these licences further in Chapter 5.

### 3.6.2 How the Licensing Framework applies to both new and existing licences

The Licensing Framework and Licensing Guide should apply to both existing licences and proposed new licences. The language in the Licensing Framework tends to imply that a licensing scheme already exists. However, each step of the Licensing Framework also applies to proposed new licences, it's just that the language needs to be considered slightly differently (see Table 3.1 below for examples).

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<sup>54</sup> See section 3.6.4.

The Licensing Guide notes that the only point at which application of the Licensing Framework would vary between new and existing licences is for Stage 4 (see section 3.5 above). According to the Licensing Guide:

The first step of this stage [Stage 4] is a preliminary assessment as to the likely net benefit of licensing. The outcome of this preliminary assessment will determine whether further, more detailed analysis should be completed. That is, whether the next two steps (identify options and undertake a cost benefit analysis) should be completed.

For existing schemes, a clear net benefit of licensing suggests the final two steps of Stage 4 may not be necessary. However, for proposed schemes, a net benefit from licensing suggests the remaining steps should be completed to identify if licensing is the *best* approach. For new schemes, this would also lead on to the options assessment and cost benefit analysis needed to meet the requirements of BRO.<sup>55</sup>

**Table 3.1 Examples of applying the Licensing Framework to proposed licensing schemes**

Stage	Question as phrased in the Framework	Question re-phrased as it would apply to a proposed new licensing scheme
Stage 1	Is there an ongoing need for government to intervene?	Is there a need for government to intervene?
Stage 1	Is licensing still addressing the policy objectives?	Would licensing address the policy objectives?
Stage 2	Is the coverage the minimum necessary?	Is the proposed coverage the minimum necessary? What coverage would be the minimum necessary?
Stage 3	Are registering and licensing activities efficient?	Are the proposed registering and licensing activities efficient? What registering and licensing activities would be efficient?
Stage 3	Are stakeholders well educated?	Will the proposed administration activities ensure stakeholders are well educated? What administrative activities would be needed to ensure stakeholders are well educated?

**Source:** PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material*, p 9.

<sup>55</sup> PwC Licensing Guide, p 9.



### 3.6.3 How the Licensing Framework and Licensing Guide relate to existing requirements for Better Regulation Statements and Regulatory Impact Statements

The Licensing Framework and Licensing Guide have been guided by, and developed in line with, the former Better Regulation Office's better regulation principles (these principles are listed in Box 3.4 below). For example, common elements include: establishing the need for, and objective of, government action; considering the costs and benefits of a range of options, including non-regulatory options; consulting with stakeholders; considering the simplification, repeal, reform or consolidation of existing regulation; and periodic review of regulatory arrangements.

Current requirements for regulatory proposals in NSW – including BRS, RIS and 'Schedule 1' analysis – are outlined in Box 3.4 below. The Licensing Framework and Licensing Guide complement these requirements. For existing licences, they provide an approach for reviewing the licensing scheme to determine whether reforms are needed (Stages 1 to 3). If significant reform proposals are identified, the last stage of the Licensing Framework (Stage 4) can feed into existing BRS/RIS requirements for considering regulatory change.

Similarly, for proposed licensing schemes, the Licensing Framework and Licensing Guide can be used to identify whether licensing should be considered as a potential option to address a specific problem or achieve an objective. If so, they assist in the design and administrative elements of the licensing scheme (Stages 1 to 3). The last stage of the framework (Stage 4) then requires cost benefit analysis of the proposal and alternative options – which leads into existing BRS/RIS requirements.

Progressing through Stages 1 to 3 of the Licensing Framework and Licensing Guide allows agencies to consider and, where applicable, design a regulatory proposal (ie, a proposed new licensing scheme or proposed reform of an existing licensing scheme). In doing so, they would also collect information and undertake analysis that assists them in Stage 4 of the Licensing Framework (and ultimately in producing a BRS or RIS). As noted in the Licensing Guide:

Rather than duplicating the process, the framework can feed into existing requirements when licensing is deemed appropriate.<sup>56</sup>

We also note that the level of effort and analysis of an agency in applying the Licensing Framework should be proportionate to the expected impacts (costs and benefits) of an existing or proposed licence.

<sup>56</sup> PwC Licensing Guide, p 7.

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**Box 3.4 Current requirements for regulatory proposals in NSW**
**Requirements under the Guide to Better Regulation (the Guide)**

Under the Guide, all new and amending regulatory proposals submitted for the approval of Cabinet or the Executive Council must demonstrate that the better regulation principles have been applied. These principles are:

- ▼ The need for government action should be established.
- ▼ The objective of government action should be clear.
- ▼ The impact of government action should be properly understood by considering the costs and benefits of a range of options, including non-regulatory options.
- ▼ Government action should be effective and proportional.
- ▼ Consultation with business and the community should inform regulatory development.
- ▼ The simplification, repeal, reform or consolidation of existing regulation should be considered.
- ▼ The regulation should be periodically reviewed, and if necessary reformed to ensure its continued efficiency and effectiveness.

For significant regulatory proposals, a Better Regulation Statement (BRS) is required. A BRS must demonstrate that a significant regulatory proposal is justified by documenting the analysis undertaken to apply the better regulation principles. This includes consideration of the costs and benefits of the regulatory proposal and alternative options.

For non-significant regulatory proposals being submitted to Cabinet or the Executive Council, evidence of the application of the better regulation principles must be provided in documentation (with Cabinet Minute or Executive Council Minute).

**Subordinate Legislation Act 1989 requirements**

Under the *Subordinate Legislation Act 1989* (the Act):

- ▼ statutory rules (ie, regulations, by-laws, ordinances) must be reviewed every 5 years
- ▼ a Regulatory Impact Statement (RIS) must be prepared for all statutory rules in accordance with Schedule 2 of the Act
- ▼ analysis must be prepared for all amending statutory rules in accordance with Schedule 1 of the Act ('Schedule 1' analysis).

Under the Act, elements of a RIS and 'Schedule 1' analysis are similar to or in accord with the better regulation principles and the requirement for a BRS. These include clear identification of the objectives of the regulatory proposal, and consideration of the costs and benefits of the regulatory proposal along with those of alternative options.

In recognition of this, the Guide notes that, where a regulation is significant, the RIS can be submitted with a Cabinet Minute or an Executive Council Minute in place of a BRS.

**Source:** NSW Better Regulation Office (BRO), *Guide to Better Regulation*, November 2009.

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### 3.6.4 Applying the competition test

The Licensing Framework and Licensing Guide are also consistent with other principles of best practice regulation, such as those incorporated in the National Competition Policy. These principles require that regulation (such as licensing) should not restrict competition unless it can be demonstrated that:

- ▼ the benefits of doing so outweigh the costs, and
- ▼ the objectives of the regulation can only be achieved by restricting competition (these two principles are known as the ‘competition test’).

Thorough application of the Licensing Framework will ensure that a licence is only established or maintained if it satisfies the competition test. This is because the framework requires an agency to:

- ▼ consider all other (regulatory and non-regulatory) options for achieving the desired objective
- ▼ only impose licence conditions that are the minimum necessary
- ▼ assess the costs and benefits of the licence, as well as alternative options, to demonstrate that licensing is the optimal option.

Further, the information collected and analysis conducted by the agency in applying the Licensing Framework should allow it to easily assess the licensing scheme against the competition test.

### 3.6.5 How the Licensing Framework and Licensing Guide consider national licensing arrangements

In the introduction to Stage 2, the Licensing Guide notes that, in designing a licence, agencies should examine requirements of comparable licences or regulatory instruments in other jurisdictions and similar sectors. This can assist in identifying:

- ▼ potential options for licence design
- ▼ opportunities for harmonisation or mutual or unilateral recognition across jurisdictions.

The Licensing Guide states that harmonisation increases the level of consistency between jurisdictions, making it easier for businesses and individuals that live and/or operate across multiple jurisdictions. However, it also notes:

Harmonisation on its own should not be the sole reason for choosing a particular requirement. Developing a harmonised approach may need to be balanced against the aim of generating the best design outcome.<sup>57</sup>

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<sup>57</sup> PwC Licensing Guide, p 37.

### 3.6.6 Considering other, related regulatory instruments

Stakeholders have also noted that Government departments and agencies should consider other regulatory options when assessing a new or existing licensing scheme.

Stage 1 of the Licensing Framework and Licensing Guide, in particular, requires an agency to consider the broader regulatory framework when determining whether a licence is an appropriate option. For instance:

- ▼ Step 2 of Stage 1 ('Does something else address the problem?') asks the agency to consider whether the existing or proposed licensing scheme is necessary, given the existing, broader regulatory framework.
- ▼ Step 3 of Stage 1 ('Is there an ongoing need for specific regulation in this area?') asks the agency to consider other potential government actions (apart from licensing), including undertaking targeted compliance and enforcement action using existing laws and regulations.

In completing the steps in Stage 2, the Licensing Guide notes that regulators should consider whether each design element can be consolidated with other similar or relevant licensing schemes (eg, harmonisation of roads and maritime licensing functions).

Furthermore, other specific elements of the Licensing Framework and Licensing Guide also require the agency to be conscious of broader regulatory requirements. For example, in discussing how to determine whether conduct rules are the minimum necessary (in Stage 2), the Licensing Guide states that:

...conduct rules that deal with issues that are already (in part) addressed by generic or overarching legislation should be limited to the specific problems the licensing scheme is intended to address and minimise any overlap with other regulatory obligations.<sup>58</sup>

### 3.6.7 Engaging and consulting with stakeholders

The Licensing Guide now notes the importance of seeking information and views from industry, consumer and government stakeholders when designing the licence. However, it also highlights the importance of judiciously reviewing stakeholder views. Some licensees, for example, may favour licensing to restrict market access. Similarly, some government stakeholders could be impacted by licence revenue or regulatory capture due to influences from industry or historical conditions.<sup>59</sup>

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<sup>58</sup> PwC Licensing Guide, p 54.

<sup>59</sup> Ibid., p 38.

### 3.7 Implementation of the Licensing Framework and Licensing Guide

As noted above, stakeholders generally expressed support for the Licensing Framework and Licensing Guide. However, several noted the effectiveness of the Licensing Framework will depend on how well it is applied by agencies. In turn, this is likely to depend on the governance or oversight arrangements around the Licensing Framework. That is, what (if any) arrangements are in place to:

- ▼ require agencies to apply the Licensing Framework and Licensing Guide when developing new licences and reviewing existing licences
- ▼ review and ensure the quality of each agency's application of the Licensing Framework and Licensing Guide.

Stakeholder comments related to this issue are outlined in Box 3.5.

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### **Box 3.5      Comments on implementation of the Licensing Framework and Licensing Guide**

#### **Submissions**

##### **NSW Small Business Commissioner:**

The key question when considering whether PwC's framework can be effectively applied by regulators is how will a regulator's assessment of the licensing framework be monitored? Whilst the framework that PwC has developed has many merits, there is a risk that government agencies will not utilise the tool or do so in a purely cursory manner.

...One solution is that a completed framework be submitted to the Better Regulation Office whenever a licence is proposed or is due to be reviewed. In doing so the licence cannot be introduced or continued unless this assessment has been conducted and the outcome of this assessment indicates that licensing is required.

##### **Australian Hotels Association (NSW):**

We also wonder whether the task of reviewing existing licences should be left entirely to individual agencies. It is our view, that to avoid any possibility of 'lip service', it would better be oversighted by an external government agency to (a) address the claimed lack of resources in individual agencies and (b) allow for better application of a true 'acid test' when critically examining the veracity and cost benefit of existing licences.

#### **Statements at the 12 February 2013 public roundtable**

##### **NSW Business Chamber:**

In the end the proof will be in the application, so it is probably also a good idea for there to be some sort of post-implementation review of the licensing framework.

##### **Australian Sustainable Business Group:**

The question should probably be: "How well will the guidelines be effectively applied?" This is a different thing, because we have seen numerous government guidelines circulated around, but they have not been particularly well adhered to by the government agencies. How will this be monitored? What oversight of the implementation of the guidelines will exist? Will it be a reactive process?

##### **Shopping Centre Council of Australia:**

The framework is very good but it has to be applied.

**Sources:** Submissions to IPART and statements at the 12 February 2013 public roundtable.

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We consider the Licensing Framework and Licensing Guide have the potential to significantly reduce unnecessary regulatory burden and red tape. However, their effectiveness will depend on how well they are embraced and implemented by agencies. When applied correctly, they can help to ensure that licences are only established when they are the best option, and that they are well designed and efficiently administered. On the other hand, inconsistent or inadequate implementation of the Licensing Framework and Licensing Guide would represent a missed opportunity to reduce the regulatory burdens associated with licences across NSW.

To assist regulators in applying the Licensing Framework and Licensing Guide consistently, we developed case studies and produced licence assessment reports for two licences administered by IPART, Liquefied Petroleum Gas (LPG) distribution licence and Hunter Water Corporation (HWC) operating licence. In particular, the licence assessment reports contain a number of tables that could be used as templates by regulators when conducting their own licence assessments. Both case studies are available on our website [http://www.ipart.nsw.gov.au/Home/Industries/Regulation\\_Review/Reviews/Licence\\_Design/Licence\\_Rationale\\_and\\_Design](http://www.ipart.nsw.gov.au/Home/Industries/Regulation_Review/Reviews/Licence_Design/Licence_Rationale_and_Design).

The LPG distribution licence report consists only of an assessment of the licence through Stage 1 of the Licensing Framework as the assessment demonstrated that licensing of LPG distributors is not appropriate. We found that in the absence of the LPG distributor licence, the licence's policy objectives would be achieved through existing legislation with some minor gaps that could be addressed through legislative amendment. Chapter 6 provides further discussion of this licence and our recommendation to abolish the licence.

The HWC operating licence is a relatively complex instrument with multiple policy objectives. The HWC operating licence report is an assessment of the licence through the four stages of the Licensing Framework. Overall, we found that the HWC operating licence passes all four key stages of the Licensing Framework, indicating that there is little scope to reform this licence. Our assessment supports continued licensing of HWC as the most efficient option to administer and ensure compliance and enforcement.

We further recommend that the Licensing Framework and Licensing Guide be incorporated into requirements under the *Guide to Better Regulation* (see Box 3.4 above). This would involve amending the *Guide to Better Regulation* to:

- ▼ reference the Licensing Framework and Licensing Guide
- ▼ require agencies submitting regulatory proposals involving licensing to document their assessment of the proposal against the Framework.

This documentation should be provided to Cabinet or the Executive Council with, or as part of, the Better Regulation Statement (for significant regulatory proposals) or other supporting documentation (for non-significant regulatory proposals).

We also recommend that agencies ensure their existing licences are periodically reviewed against the Licensing Framework and Licensing Guide. This should be part of any statutory requirement to review legislation that governs a licensing scheme, or at least once every 10 years if a licence is not subject to statutory review. This could be achieved through an administrative direction from the Premier to all agencies.

Chapter 5 outlines our findings on licence review and reform priorities – including those licences we consider should be reviewed against the Licensing Framework and Licensing Guide. Chapter 6 also identifies some ‘significant’ licences that we consider should be reviewed using the Licensing Framework and Licensing Guide.

Our Final Report on the concurrent regulation review of Local Government Compliance and Enforcement includes several related recommendations on the regulation-making and review process in NSW.

### Recommendations

- 1 NSW Government agencies should:
  - ensure their licences are reviewed using the Licensing Framework and Licensing Guide:
    - as part of any statutory requirement to review legislation that governs a licensing scheme, or
    - at least once every 10 years, where there is no statutory requirement to review a licence
  - apply the Licensing Framework and Licensing Guide when developing proposed new licences.
- 2 The NSW Department of Premier and Cabinet should amend the NSW Guide to Better Regulation (November 2009) to:
  - include reference to the Licensing Framework and Licensing Guide for regulatory proposals that involve licensing, and
  - require agencies submitting a regulatory proposal that involves licensing to include an assessment of their licensing proposal against the Licensing Framework, with their Better Regulation Statement (significant regulatory proposals) or other supporting documentation (non-significant regulatory proposals).

These recommendations were generally accepted by stakeholders in their submissions to our Draft Report. The Outdoor Recreation Industry Council NSW (ORIC), Housing Industry Association (HIA), Building Professionals Board (BHB), Environment Protection Authority (EPA) and Office of the NSW Small Business Commissioner (OSBC) were supportive of measures aimed at ensuring a consistent approach to the application of regulations through the use of the Licensing Framework and Licensing Guide developed as a part of IPART’s review.<sup>60</sup>

<sup>60</sup> Outdoor Recreation Industry Council NSW Inc. (ORIC) - Peralta, K., submission to IPART, 3 July 2014, Housing Industry Association - Rooke, L., submission to IPART, 4 July 2014, Building Professionals Board - George Maltabarow, submission to IPART, 18 July 2014, Environment Protection Authority, submission to IPART, 11 July 2014, NSW Small Business Commissioner - Hobbs, R., submission to IPART, 3 July 2014.



The OSBC further comments that the Licensing Framework and Licensing Guide have merit, but as noted in this Final Report, their effectiveness will depend on oversight mechanisms which ensure that they are genuinely used. The OSBC note that while this may impose an additional burden on government agencies, this may be a cost worth incurring if it reduces the costs to businesses of unnecessary, poorly designed and/or inefficiently administered licensing schemes.<sup>61</sup>

The NSW Business Chamber also supports the proposed Licensing Framework and Licensing Guide and suggests several areas for improvement (eg developing a list of 'red flags' indicating the scope of potential improvement, a list of 'common mistakes' that agencies may make in assessing a licence, and using pilot projects in evaluating the effectiveness of proposed regulatory changes).<sup>62</sup>

Our licence assessment case studies were designed to address most of the stakeholder comments and to provide a template for a consistent application of the Licensing Framework across agencies. The benefits of applying the Licensing Framework have already been recognised by the agencies. Hunter Water Corporation (HWC), who is both a licensee and a licensor and whose operating licence we assessed as one of our case studies, informed us that it plans to review the licences and permits it administers using our Licensing Framework.<sup>63</sup>

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<sup>61</sup> NSW Small Business Commissioner - Hobbs, R., submission to IPART, 3 July 2014.

<sup>62</sup> NSW Business Chamber - Hicks, T., submission to IPART, 4 July 2014.

<sup>63</sup> Hunter Water Corporation - Cushing, F., submission to IPART, 4 July 2014.

## 4 Our methodology for identifying licence reform priorities

This chapter explains our methodology for identifying licence reform priorities for significant licences in NSW. The methodology focuses on a licence's potential for reform in terms of its design and administration, reflecting Stages 2 and 3 of the Licensing Framework (discussed in Chapter 3). We have also developed a methodology for estimating the potential economy-wide gains from reforming significant licences.

The results from this methodology for identifying licence reform priorities amongst significant licences in NSW are then presented in the next chapter (Chapter 5).

### 4.1 'Significant' licences

There are 769 licences administered by NSW Government departments and agencies. To identify which of these licences should be reform priorities, we used responses from regulators to our licence survey and a methodology that reflects elements of Stages 2 and 3 of the Licensing Framework.

To filter out less important licences from our priority analysis, we focused on licences that regulators had identified or confirmed as 'significant' through their licence survey response.<sup>64</sup> We initially classified licences as 'significant' if they:

- ▼ affected a large number of businesses and/or individuals
- ▼ imposed significant cost (regardless of numbers affected)
- ▼ had a strategic and/or significant impact(s) on the economy or community.

This initial step in our priority analysis resulted in the list of potential reform licences being reduced to 269 licences. These 269 licences account for 95% of all licences in force in NSW, and 99% of the total licence revenue.

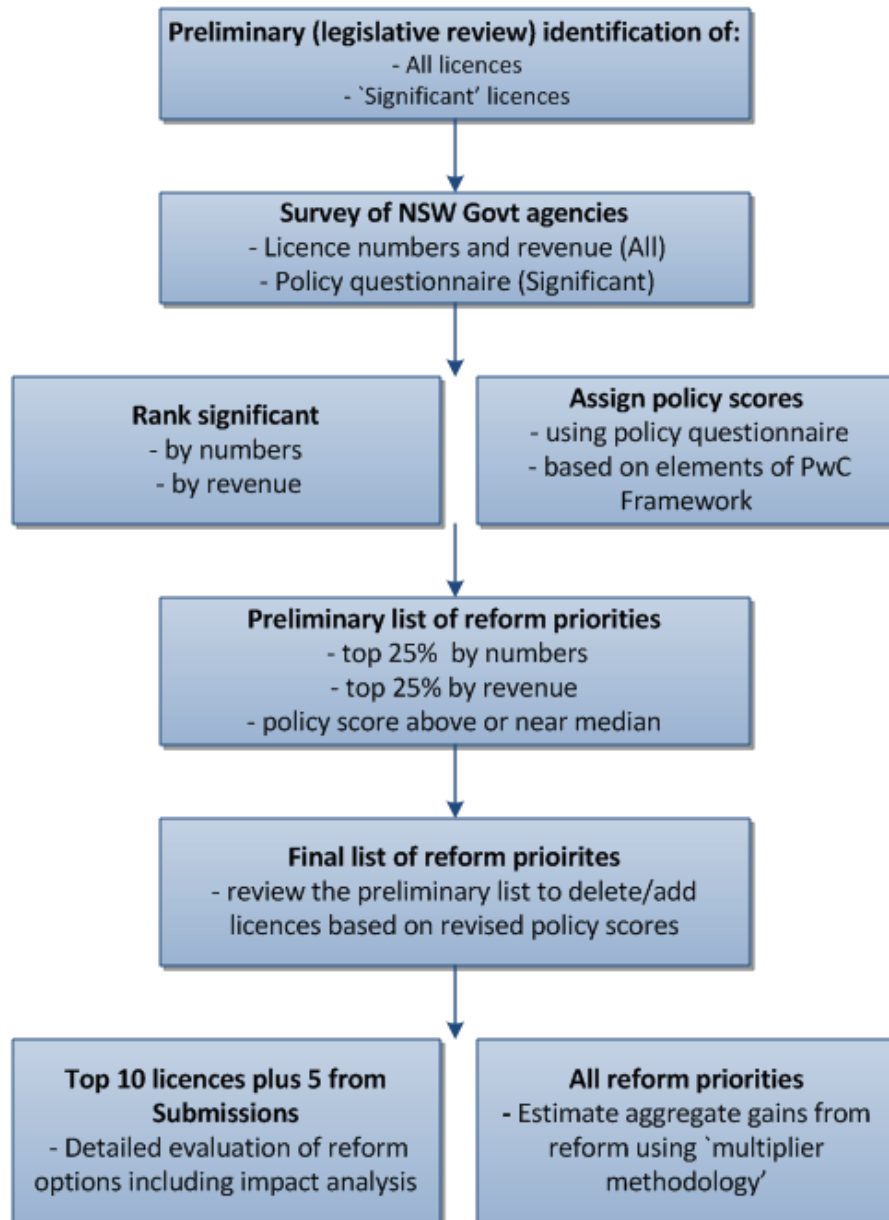
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<sup>64</sup> We initially identified 230 licences as meeting the definition of a 'significant' licence, and included them in the licence survey. We then asked agencies to review and amend (where necessary) their pre-filled significant licences, in order to confirm which of their licences meet this definition. An additional 39 licences were added bringing the total to 269.

#### 4.1.1 Methodology for identifying reform priorities amongst 'significant' licences

The methodology that we have used to identify reform priorities amongst 'significant' licences is outlined in Figure 4.1.

**Figure 4.1 Methodology for identifying licence reform priorities for significant licences**



Our methodology relies on our licence survey data to target those licences which:

- ▼ are held by a large number of licensees or have high licence fee revenue, and
- ▼ appear to have substantial potential for reform (as indicated by a ‘policy score’).

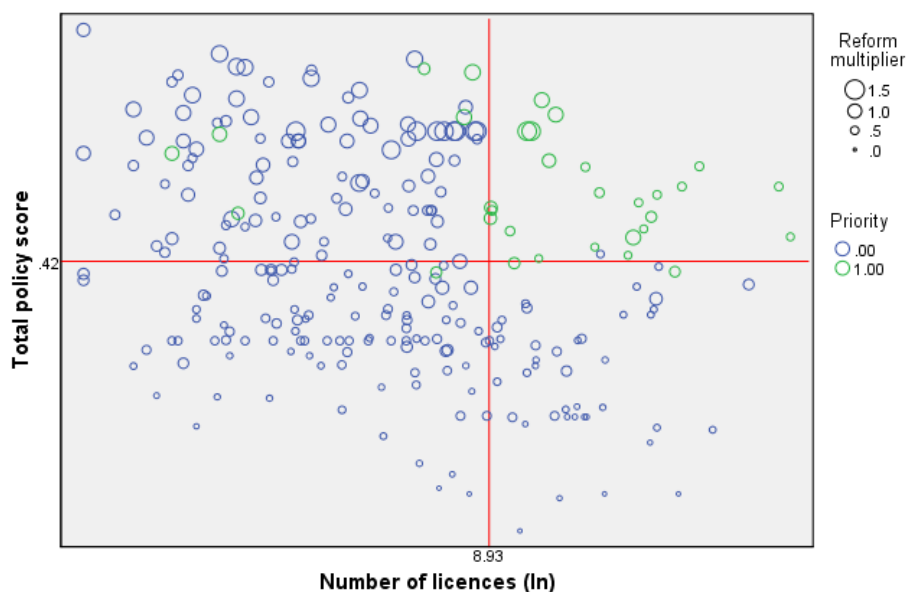
This methodology focuses on identifying potential for reform in terms of licence design and administration, reflecting Stages 2 and 3 of the Licensing Framework.

Our aim was to use the methodology to identify the reform priority licences that are displayed in the top right quadrant of:

- ▼ Figure 4.2 – the top right quadrant contains licence types with a high number of licences issued and high potential for reform
- ▼ Figure 4.3 – the top right quadrant contains licence types with high revenue and high potential for reform.

Following this initial screening process and determination of reform priorities, we also estimated the size of potential economy-wide gains from reforming a licence, which is represented by the size of the bubbles in Figures 4.2 and 4.3.

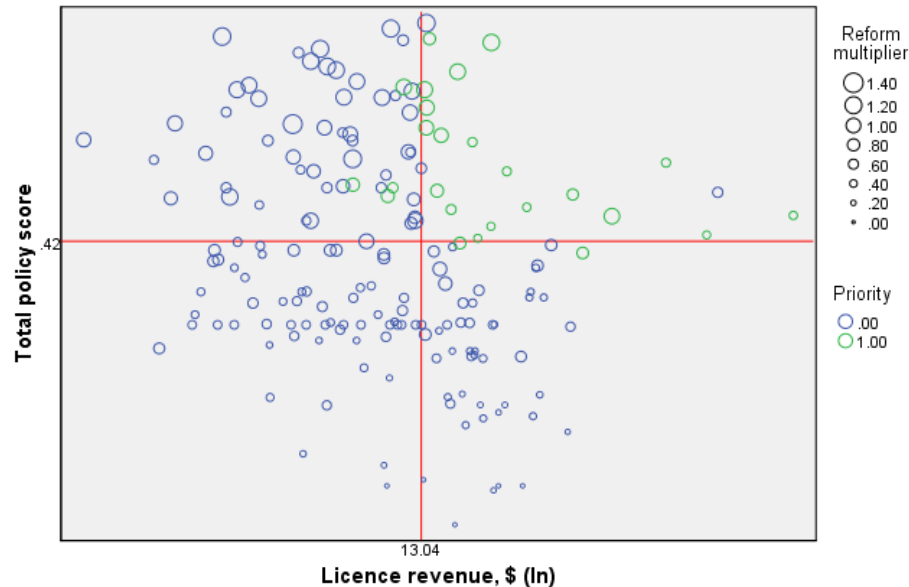
**Figure 4.2 Identifying reform priorities – number of licences vs. policy score for original 269 ‘significant’ licences (logarithmic transform)**



**Note:** This figure plots the original 269 significant licence types, including the initial ‘Top 32’ priority licences (represented by the green bubbles), as presented in our Draft Report. Since our Draft Report was published, we have also estimated the potential economy-wide gains from reforming an additional 41 licence types – see section 4.2 and Appendix H.

**Data source:** IPART analysis using data in Table J.1 in Appendix J.

**Figure 4.3 Identifying reform priorities – total licence revenue vs. policy score for original 269 ‘significant’ licences (logarithmic transform)**



**Note:** This figure plots the original 269 significant licence types, including the initial ‘Top 32’ priority licences (represented by the green bubbles), as presented in our Draft Report. Since our Draft Report was published, we have also estimated the potential economy-wide gains from reforming an additional 41 licence types – see section 4.2 and Appendix H.

**Data source:** IPART analysis using data in Table J.2 in Appendix J.

#### Focus on ‘significant’ licences with high licence numbers or revenue

We focused our analysis on the:

- ▼ top quartile (25%) of licences ranked by number of licensees
- ▼ top quartile (25%) of licences ranked by licence revenue.

We had a high level of confidence in the data on licence numbers and revenue (ie, there is relatively little scope for subjectivity or error in this data).

Generally, licence numbers are a good indicator of potential gains from reform. This is because the more people directly affected, the larger the likely gains from improving a licence’s design or administration. We also consider that licence revenue is a reasonable indicator of potential gains from reform (as it is often a reasonable proxy for the complexity and the overall regulatory burden of a licence). In some regulated sectors, the number of licensees is low, but the licence revenue (and the direct burden of a licence) is high. We included licence revenue, where available, as an indicator of direct licence costs. For a more detailed explanation see section 4.1.3 below, which outlines our methodology.

### Focus on high number or high revenue licences with high potential for design and administrative reform

We used responses to the detailed policy questionnaire (which was completed as part of the licence survey for the 269 'significant' licences) to assess each 'significant' licence's potential for design and administrative reform. This assessment involved:

- ▼ allocating survey questions to six reform categories, which relate to a licence's design or administration (reflecting elements of Stages 2 and 3 of the Licensing Framework)
- ▼ scoring questions in each of these reform categories, and
- ▼ combining these six scores to determine an overall 'policy score' for the licence.

These policy scores correspond to a licence's potential for design and/or administrative reform. A higher policy score indicates a likely greater scope for reform. The scoring process allowed us to assess the deviation of a given licence from the 'optimal' licence in each reform category, as well as overall. Our methodology for determining policy scores is further detailed in Appendix E.

Table 4.1 provides a brief description of the six reform categories. It also sets out the features of an optimal licence in each of these categories.

**Table 4.1 Six reform categories used to determine a licence’s policy score**

Reform category	Optimal licence
1. Duration	<ul style="list-style-type: none"> <li>▼ 5-year duration<sup>a</sup></li> <li>▼ Exceptions for other appropriate durations (eg, 10 years for photo ID licences; ongoing registrations)</li> </ul>
2. Conditions	<ul style="list-style-type: none"> <li>▼ Regulator adopts best practice when setting licence terms and conditions <ul style="list-style-type: none"> <li>– cost-benefit analysis (CBA)/expert analysis &amp; public consultation</li> </ul> </li> </ul>
3. Review process	<ul style="list-style-type: none"> <li>▼ Licence is regularly reviewed using best practice methods <ul style="list-style-type: none"> <li>– reviewed within last 5 years, using CBA/expert analysis &amp; public consultation</li> <li>– review considered wide range of licence features (eg, compliance, administration), as well as alternatives to licensing</li> </ul> </li> <li>▼ Dollar value thresholds/exemptions are regularly adjusted</li> </ul>
4. Fee setting	<ul style="list-style-type: none"> <li>▼ Licence fees are set on a logical basis (eg, cost recovery)</li> <li>▼ Mechanisms to ensure they are regularly reviewed and adjusted</li> </ul>
5. Compliance	<ul style="list-style-type: none"> <li>▼ Compliance regime is targeted to licence risk <ul style="list-style-type: none"> <li>– targeted inspections, instead of blanket inspections</li> <li>– exceptions reporting, instead of periodic reporting</li> </ul> </li> </ul>
6. Administration	<ul style="list-style-type: none"> <li>▼ Regulator provides clarity around licence processing times <ul style="list-style-type: none"> <li>– time limits/guaranteed levels of service for applications and renewals</li> <li>– simplified renewal process for compliant licensees</li> </ul> </li> <li>▼ Regulator offers extensive online licence services <ul style="list-style-type: none"> <li>– eg, lodging applications, paying fees, updating details</li> </ul> </li> </ul>

<sup>a</sup> The Licensing Guide (accompanying the Licensing Framework) notes that duration should be set to reflect the expected frequency of change of the elements of the licence (the longer the period of no change, the longer the licence duration). For our policy scoring purposes, across the full range of licences, we settled on five years as the (average or typical) optimal duration. However, in reality, the optimal duration for a licence will vary from licence to licence.

These reform categories use best practice licensing principles and are based on elements of the Licensing Framework (particularly Stage 2 – licence design, and Stage 3 – licence administration).

Our next step was to take the top 25% licences ranked by number or revenue and focus on those with policy scores near or above the median. That is, we prioritised those larger licences (by number and/or revenue) which seemed to have a greater scope for reform (based on survey responses).

### Final screening and adjustments to our policy scores

The steps above resulted in a list of ‘significant’ licence reform priorities comprised those licences that:

- ▼ are in the top 25% of ‘significant’ licences by number and/or revenue, and
- ▼ have a policy score near or above the median (ie, a larger scope for reform, based on the policy questionnaire).

We then conducted a desktop review of this list of licences and removed and added those where it was immediately apparent that our policy scoring system had artificially inflated/deflated the potential for reform. For example, a duration of less than 5 years is a reasonable duration for a 'P1 Provisional Driver's Licence', so for this licence type, we adjusted the policy score to ensure that no penalty was incurred, which adjusted the overall policy score for this licence to well below the median.

Adjustments to our initial policy scores, and hence our list of priority licences generated from previous steps, are presented in Appendix F.<sup>65</sup>

This final step recognises that, while our scoring system is generally a good or reasonable indicator of reform potential, it cannot be perfect across such a broad range of licences.

#### 4.1.2 Limitations of our policy scoring approach

Whilst our approach is based on best practice principles, we had to make some assumptions in defining an 'optimal' licence in order to develop a screening tool that we could apply to all 'significant' licences.

The scoring process depends on a number of assumptions about the features of an optimal licence, as described above in Table 4.1. Our policy scoring is based on these benchmark licence design and administration features. The policy scores have been used to compare licence types to an optimal licence and draw implications about the potential for reform. However, the scoring cannot take into consideration the finer details of a licence and the specific rationale behind its design. Therefore, our policy scoring approach is a high level assessment. It is also a subjective assessment, as it is based on survey responses from regulators and assumptions made in defining an optimal licence.

It should also be noted that our licence survey was undertaken at a particular point in time (late 2012). We collected data for the period 1 July 2011 to 30 June 2012. Our analysis is based on that licence survey data, so any changes to licences and/or the regulatory environment since this time will not be reflected in the survey data or analysis presented in this report.

Also, as indicated above, our analysis is based on the raw data provided by agencies in their questionnaire responses. In some cases we made adjustments to the policy score to avoid inappropriately penalising specific licences for deviating from an optimal licence (described in Table 4.1). These adjustments were made only to the top 25% of licences by number of licences and licence revenue, where it was obvious that our policy scoring methodology had overstated or understated the potential for reform (see Appendix F).<sup>66</sup> For example, the P2

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<sup>65</sup> See Table H.6 in Appendix H for the 41 additional licence types discussed in section 4.2.

<sup>66</sup> Ibid.



provisional drivers licence had its duration score adjusted as it was likely to overstate the policy score for the licence. For this particular licence, a licence duration shorter than five years is reasonable.

The broad definition of a licence used in this review and our reliance upon agencies to list all their licences also create a potential limitation with the application of the policy scoring methodology. The definition of a 'licence' adopted for this review (as defined in section 2.1.3) includes any licence, registration, notification, authorisation, accreditation, permit, approval, or certification.

For example, as a result of this broad definition, some basic registrations that serve as statutory functions, such as for births, deaths and marriages and some types of leases were captured by our licence survey. Whether these licences should be considered as such for the purpose of our report's recommendations should be assessed by the relevant agency.

In addition, it should be noted that NSW Government departments and agencies were relied upon to confirm whether or not a licence is 'significant'. As a result, some licences that meet our definition of a significant licence may not have been captured as significant by our survey. To ensure that these licences are not excluded from our analysis, we have examined them separately (see section 4.2 below).

Another important limitation of our approach is that, while focusing on licence design and administration, it does not evaluate the economic rationale for the existence of the licence in first place, nor the alternative options (including no licensing). In other words, application of this methodology cannot result in the recommendation to abolish the licence.

As discussed previously, our policy scoring methodology considers only elements of Stage 2 ('Is licensing well designed?') and Stage 3 ('Is licensing administered effectively/efficiently?') of the Licensing Framework.<sup>67</sup>

In addition, our methodology does not take account of:

- ▼ **Cross-jurisdictional differences and mutual recognition.** Since the priority list is based on survey data, it does not take account of these issues. Cross jurisdictional issues were raised in some submissions and comments on specific licences.
- ▼ **Data sharing.** The licence survey could not be used to identify savings from combining or bundling licences together or sharing data across licences (eg, on

<sup>67</sup> Recommendation to abolish the licence can result only from the Stage 1 or Stage 4 assessments, which would involve a detailed cost-benefit analysis or Regulatory Impact Statement to evaluate the extent of the problem underlying the potential need for regulation (licensing), risks involved, and evaluation of all alternative options.

an ‘opt-in’ basis). This is because the survey focused on individual licences rather than a bundle of licences.

#### 4.1.3 Methodology for estimating the potential gain from reform of ‘significant’ licences

For each significant licence, we have provided an indicative estimate of the potential aggregate (or economy-wide) gains from reforming the licence. This is represented by the size of the bubble in Figures 4.2 and 4.3 and is referred to as the licence “reform multiplier”. The higher the value of the licence reform multiplier (shown by a larger bubble size), the larger the economy-wide gains *per dollar of direct costs saved*.

##### Licence reform multiplier

Our licence reform multiplier comprises two main components:

1. **A structural multiplier for each licence, capturing the flow-on effects of the licence in the economy.** Multipliers have been estimated for 16 specific licence areas and reflect:
  - the degree of importance of the sector to the economy
  - sector share of employment
  - the relative size of the sub-sector regulated by licensing.
2. **A policy multiplier for each licence, reflecting the scope to reform or improve the licence.** In assessing the policy score of each licence (see 4.1.1 above) we have made assumptions about an ‘optimal’ licence. The policy multiplier is the difference between the policy score of each licence and the ‘optimal’ policy score. It reflects the licence’s likely scope for improvement in relation to its design and administration.

For each licence, a **reform multiplier** can then be obtained by applying the structural multiplier (relevant to the licence area) to the policy multiplier. A higher reform multiplier indicates a higher overall economy-wide gain per \$1 of direct costs saved.

As a further step, we have estimated the aggregate (\$) potential economy-wide gains from reforming significant licences (ie, the potential gains realised from moving from the actual licence policy score to the optimal licence policy score) by:

- ▼ using licence revenue as an indicator of direct licence costs (this is not perfect, but revenue is a reasonable proxy and is the best indicator available), and
- ▼ applying this to the reform multiplier to calculate the potential aggregate gains from reform.

A detailed description of the methodology (and its limitations) used to estimate the potential gain from reform for priority ‘significant’ licences is contained in Appendix G. Appendix J lists the reform multipliers and estimates of aggregate (\$) potential gains from reform for the original 269 significant licences, using this methodology.<sup>68</sup>

We note that our approach of using a licence’s revenue as a proxy for its direct costs generally means that our estimates of aggregate (\$) gains from licence reform are conservative, as licence revenue is likely to underestimate the true direct costs of a licence. Our methodology is also conservative because it only relates to optimising licence design and administration, rather than removing licences (which can enhance competition, dynamic efficiency gains, and resource allocation). Other limitations of our methodology for estimating these gains are outlined below.

Regardless, given the inherent uncertainty in developing these aggregate estimates, we consider there is merit in erring on the side of being conservative, and generating estimates of the potential gains that could ‘*at least*’ be realised from licence reform.

#### Limitations of our licence reform multiplier

Our licence reform multiplier provides a useful insight into the relative importance of reforming licences in a particular area. While the reform multiplier takes into account several key channels through which licensing has an impact on the economy, it does not capture social externalities, environmental costs or income distribution effects.

In calculating the reform multiplier, we have had to make a number of simplifying assumptions to capture the flow-on effects of the licence in the economy. For example, we have allocated each licence to a relevant sector of the economy to allow us to use input/output data.

Licensing an activity in an economy may create price and quantity distortions and result in an inefficient allocation of resources. Our licence reform multiplier does not capture these distortive effects on the broader economy. A more comprehensive approach could be to use a Computable General Equilibrium (CGE) model.

<sup>68</sup> See Appendix H for the 41 additional licence types discussed in section 4.2.

## 4.2 Other licences which may be classified as significant

We further analysed the approximately 500 licences that were **not** initially identified by us (when sending the questionnaire to NSW Government agencies) or subsequently by the agencies themselves to be 'significant'.<sup>69</sup> These licences are lower priority for reform, but there may be gains made from abolishing them or reviewing their design and administration using the Licensing Framework and Licensing Guide.

We filtered these 'Other' licences, focusing on licences with high licence numbers or revenue. We applied the same criteria as we used to screen the 'Significant' licences, namely:

- ▼ top quartile (25%) of licences ranked by number of licensees
- ▼ top quartile (25%) of licences ranked by licence revenue.

From this analysis, we identified an additional 26 licences based on the number of licences and 21 licences based on licence revenue (see Tables H.1 and H.2, respectively, in Appendix H). We considered that these licences could potentially be significant. However, policy score data was not initially available for these licence types.<sup>70</sup>

So that we could analyse these licences types using our methodology to identify reform priorities, we contacted the relevant regulators and asked them to complete the policy questionnaire for each of the 44 'Other' licences identified in Table H.1 and Table H.2 in Appendix H.

For the purpose of identifying reform priorities, we have now classified 41 of these licence types as 'significant'.<sup>71</sup> We have estimated the potential scope for reforming these licences using our policy score methodology. The results of this additional analysis are presented separately in Appendix H.<sup>72</sup>

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<sup>69</sup> As discussed above, we conducted a preliminary, desk-top assessment to identify the initial list of 'significant' licences. We then sent the NSW Government agencies a detailed policy questionnaire for these significant licences and also asked them to identify any other licences they considered to be significant (based on licence numbers, cost and/or significance to the economy).

<sup>70</sup> Policy questionnaires were not completed for these licence types as part of the licence survey conducted in 2012.

<sup>71</sup> Forests NSW did not provide a questionnaire response for licence type: 'Occupation Permit (Forestry)'. Roads and Maritime Services did not provide a questionnaire response for licence types: 'Oversize Specific Permit' and 'Overmass and Oversize Specific Permit' (as these two licence types had actually already been counted as part of the survey and questionnaire returned for licence type: 'Heavy Vehicle Permit').

<sup>72</sup> We used our existing parameters and median policy scores to estimate the potential for reform for these licence types. Adjustments to our initial policy scores for these licences are also presented in Appendix H.

In total, the above-mentioned 41 additional licence types account for about 950,000 licences and collect about \$19 million in revenue. As indicated in section 2.4.1 of this report, when combined with the original 269 significant licences, these licences (ie, all 310 of them) represent about 99.2% of all licences by volume and 99.5% of licence revenue raised (for NSW Government licences).<sup>73</sup>

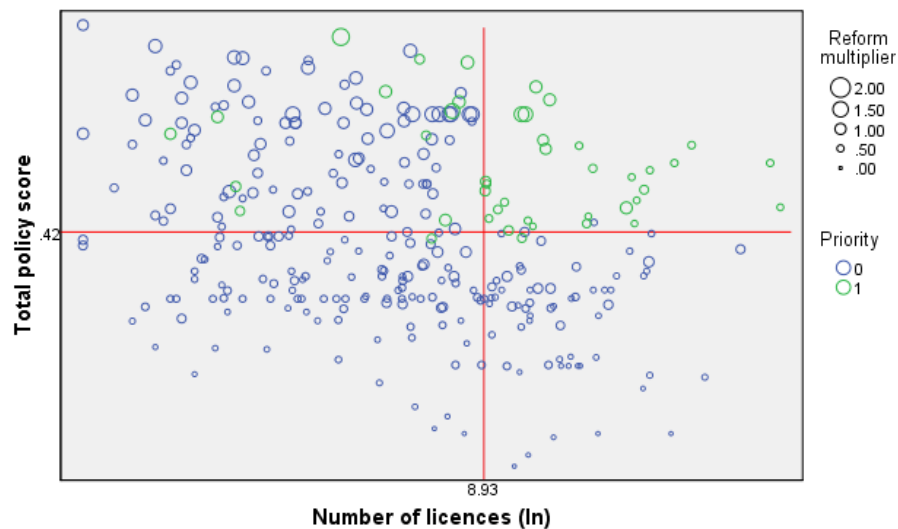
#### Finding

- 8 The other 459 licence types (not identified by us or by agencies to be 'significant') account for only 0.8% and less than 0.5% of licence numbers and revenue, respectively.

Figure 4.4 and 4.5 depict the reform potential of and estimated potential economy-wide gains of reforming each of the 310 significant licences:

- ▼ Figure 4.4 – the top right quadrant contains licence types with a high number of licences issued and high potential for reform.
- ▼ Figure 4.5 – the top right quadrant contains licence types with high revenue and high potential for reform.

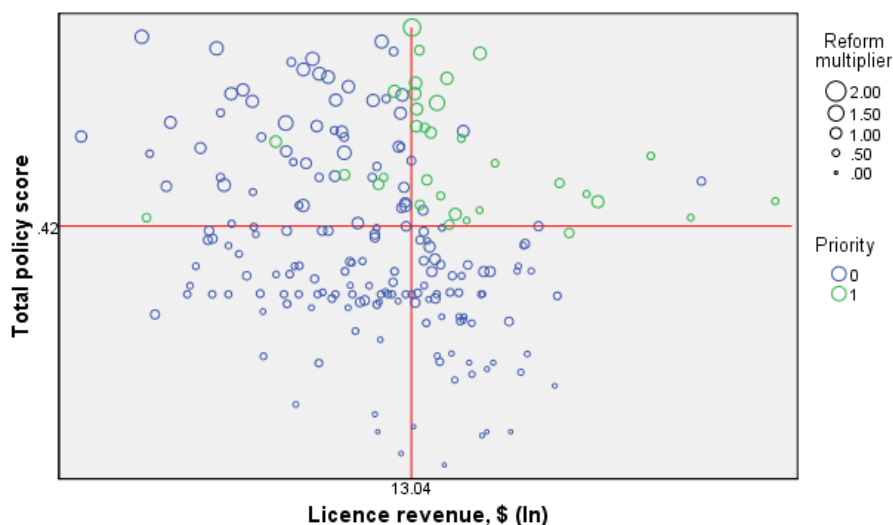
**Figure 4.4 Identifying reform priorities – number of licences vs. policy scores for all 310 'significant' licences (logarithmic transform)**



**Data source:** IPART analysis using data in Table H.3 in Appendix H and Table J.1 in Appendix J.

<sup>73</sup> The additional 41 significant licence types identified between our Draft and Final Reports account for about 4% and 1% of licence numbers and revenue respectively.

**Figure 4.5** Identifying reform priorities – total licence revenue vs. policy scores for all 310 ‘significant’ licences (logarithmic transform)



**Data source:** IPART analysis using data in Table H.4 in Appendix H and Table J.2 in Appendix J.

We have estimated the potential gains from reform for our ‘Top 10’ priority licences’, ‘Top 40’ priority licences, and all 310 significant licences (see Table 4.2 below). Our definitions of the priority ‘Top 10’ and ‘Top 40’ licences are provided in sections 5.1 and 5.3 of this report.

**Table 4.2** Estimated potential gains from IPART recommended licence reforms<sup>a</sup>

Group of licences	Potential gains from licence reform, at least estimate, \$m
‘Top 10’ priority licences	193
‘Top 40’ priority licences	212
All 310 ‘significant’ licences	342

<sup>a</sup> Potential gains from licence reform were estimated by applying the reform multiplier to total licence revenue (where reported and positive). See Appendix G for details.

**Source:** NSW Government Department licence survey, IPART analysis.

## 5 | Licence reform priorities and impacts

This chapter presents our licence reform priorities for significant licences in NSW. We have applied our methodology to generate a 'Top 40' list of priority licences.<sup>74</sup> Within this 'Top 40', we have then conducted further analysis of the 'Top 10' licences and, where possible, made specific reform recommendations. We have also conducted further analysis of another 10 licences, which are in our 'Top 40' priority list and also identified in stakeholder submissions. For some licences (eg, firearms) we have not recommended reforms, as reviews are either underway or scheduled for the near future.

### 5.1 'Top 40' priority licences for design and administrative reform

In applying our methodology for determining reform recommendations for 'significant' licences, we have identified 40 priority licences (presented in Table 5.1). These are the licences where, based on the survey responses provided by NSW Government departments and agencies, targeted reform of licence design and administration is most likely to yield the greatest reduction in regulatory burden, including red tape.

As explained in the previous chapter, the licences shown in Table 5.1 have been identified based on their:

- ▼ number of licences
- ▼ licence revenue, and
- ▼ policy score, which indicates likely scope for reform.

When combined, these 40 priority licences represent about 62% of all licences by volume and 82% of licence revenue raised (for NSW Government licences). Given the large number of licensees and high revenue associated with them, reform to these licences is likely to have a significant impact.

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<sup>74</sup> Since our Draft Report was published, the number of priority licences has been revised up (from 32), following incorporation of an additional 11 licence types identified as reform priorities – see Appendix H.

Table H.7 (in Appendix H) and Table I.1 (in Appendix I) combined provide details on the licence design and administration areas that, for each of these 40 licences, could be improved or reformed. Appendix H (Tables H.3, H.4 and H.5) and J combined list all ‘significant’ licences and separately specifies their ranking by numbers, revenue and policy score.

The licences listed in Table 5.1 below are ranked:

- ▼ firstly, in order of number of licences - ie, those licences in the top 25% of licence numbers and which have a policy score above or near the median, then
- ▼ in order of licence revenue – ie, any additional licences that are in the top 25% of licence revenue and which have a policy score above or near the median.<sup>75</sup>

The ‘Top 40’ priority licences are also presented in Figures 4.4 and 4.5 in Chapter 4. Figure 4.4 plots the total number of licences issued against the total policy score (ie, scope for reform) by licence type. Figure 4.5 provides a similar plot, with total licence revenue plotted against the total policy score. They show that the ‘Top 40’ priority licences (represented as green ‘bubbles’ in the figures) generally fall in the top right-hand quadrant of each figure, indicating high potential for reform and high licence number and/or revenue. Figures G.2 and G.3 in Appendix G provide a ‘zoomed-in’ view of the licences that fall in the top right-hand quadrant of these figures.

Table 5.1 also shows the reform multiplier for each licence. The higher the value of the reform multiplier (depicted as a larger bubble in the ‘bubble plots’), the larger the potential economy-wide gains (savings) of licence reform, *per dollar of direct costs saved*.<sup>76</sup>

Table 5.2 includes our estimates of the aggregate economy-wide gains from reforming each of the ‘Top 10’ licences, when the reform multiplier is applied to estimates of a licence’s direct costs. As mentioned in Chapter 4, in the absence of data on the actual direct costs of each licence, we have used licence revenue as a conservative (‘at least’) estimate or proxy of the direct costs of each licence. The estimated gains from reform of the ‘Top 40’ priority licences (as well as all other ‘significant’ licences) using our multiplier methodology are presented in Tables H.3, H.4 and H.5 in Appendix H and Tables J.1, J.2 and J.3 in Appendix J.

<sup>75</sup> It should be noted that the initial ‘Top 32’ priority licences listed in our Draft Report have been preserved and are presented first in Table 5.1. We have then added the 11 licences identified from our subsequent analysis.

<sup>76</sup> The absolute aggregate gains from reforming a licence, however, will depend both on its reform multiplier and the level of direct compliance and administration costs of that licence. For example, a licence may have a high reform multiplier – which indicates there is significant scope to reform the licence and the licence affects large parts of the economy – but impose relatively low direct costs on licensees. Therefore, in this instance, when a high reform multiplier is applied to the low (direct) cost licence, it may actually result in a relatively low absolute dollar gain from reform. The reverse is also true – ie, a low reform multiplier applied to a high (direct) cost licence can result in large aggregate gains from reform.



Table 5.1 also indicates which 'Top 40' priority licences were also mentioned in stakeholder submissions to IPART.

### 5.1.1 Types of licences in the 'Top 40' priority licence list

Our 'Top 40' priority list (Table 5.1) includes a fairly broad range of licences. Despite this, a large proportion (30%) of these licence types relate to transport. Licences related to the environment/plants/animals and occupations also feature quite prominently in the list (each accounting for about 15% of licence types in the list).

### 5.1.2 'Top 10' priority licences and others identified by stakeholders that are in the 'Top 40' priority licences

The 'Top 10' priority licences identified using our methodology are shaded in green in Table 5.1. These are the top 10 licences in NSW where (based on the survey responses provided by NSW Government agencies) targeted reform of licence design and administration is most likely to yield the greatest reduction in regulatory burden, including red tape.

The licences shaded in blue in Table 5.1 are 'Top 40' priority licences that were also identified by stakeholders through our public consultation process.

We have conducted analysis on each of the 'Top 10' licences, as well as an additional 10 licences in the 'Top 40' licences that were also identified by stakeholders. Where possible, we have assessed the impact of specific reform options in terms of estimated:

- ▼ net benefits
- ▼ reduction in regulatory burden
- ▼ budget implications (see section 5.2 and 5.3).

### 5.1.3 Licences recently reviewed or currently under review

When looking at the list of priority licences, it should be noted our methodology takes account of licences that have been recently reviewed or were under review at the time of the licence survey.

These licences generally had low 'review process' scores, as our methodology considered recent or current thorough reviews of a licence using best practice methods as optimal.<sup>77</sup> (Only if the review was not particularly comprehensive would these licences have received high 'review process' scores.)

<sup>77</sup> As previously mentioned, high policy scores indicated higher potential for reform; whereas lower policy scores indicate a licence's design and administration is closer to the optimal, and therefore has a lower scope for reform.

Depending on the policy scores the licence received for the other reform categories, the low 'review process' score may also have contributed to a below median policy score (indicating lower scope for reform).

For example, we calculated a policy score for 'Vehicle Licence – Taxi' that is below the median for all significant licences, despite it having particularly high scores for 'conditions' and 'compliance'. This is because the agency's survey response indicated this licence was under review.

#### Finding

- 9 The 'Top 40' licences listed in Table 5.1 are reform priorities for NSW Government departments and agencies.

#### Recommendation

- 3 The NSW Government should review the 'Top 40' licences listed in Table 5.1 using the Licensing Framework and Licensing Guide. The reviews should particularly focus on the key reform areas identified in Appendix H and I of this report as well as those outlined in specific areas in Chapter 5.

Table 5.1 ‘Top 40’ priority licences (for ‘significant’ NSW Government department/agency licences)

Number	Licence type	Department <sup>a</sup>	Agency <sup>a</sup>	Licence area	Assessment 1 Licence numbers	Assessment 2 Licence revenue	Assessment 3 Policy score (original median = 0.42)	Reform Multiplier	Also raised in submissions received by IPART		
					Number of licences	Ranking <sup>b</sup>	Licence revenue <sup>c</sup> (\$)	Ranking <sup>b</sup>			
1	Registration of a Light Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	5,555,737	1	1,814,269,240	1	0.46	0.46	✓
2	Drivers Licence - Car	Transport for NSW	Roads and Maritime Services	14. Private transport	4,432,276	2	106,662,630	4	0.52	0.52	✓
3	Registration of Firearms	AGD	NSW Police Force	7. Firearms/weapons	771,636	5	-	180	0.55	0.55	✓
4	Drivers Licence - Rider	Transport for NSW	Roads and Maritime Services	14. Private transport	525,002	6	-	180	0.52	0.52	
5	NSW Photo ID Card	Transport for NSW	Roads and Maritime Services	14. Private transport	304,080	9	3,088,827	21	0.51	0.51	
6	Recreational Fishing Fee	DTIRIS	Department of Primary Industries	3. Culture or recreation	267,518	13	13,400,000	8	0.48	0.71	✓
7	Registration of a Commercial or Recreational Vessel	Transport for NSW	Roads and Maritime Services	14. Private transport	226,634	16	24,730,938	6	0.47	0.47	
8	Registration of a Heavy Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	215,470	17	264,198,492	3	0.43	0.43	
9	Drivers Licence - Heavy Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	202,892	18	-	180	0.50	0.50	
10	Home Building Licence	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	179,918	20	32,043,599	5	0.46	1.08	✓
11	Working with Children Check	Education and Communities	Office of Communities	1. Ageing, disability or children	85,479	26	-	180	0.51	0.63	✓
12	Conditional Registration	Transport for NSW	Roads and Maritime Services	14. Private transport	77,172	27	2,173,234	29	0.44	0.44	
13	Permit to Acquire Firearms (PTA)	AGD	NSW Police Force	7. Firearms/weapons	62,789	29	1,437,840	38	0.55	0.55	✓
14	Driver Authority - Bus	Transport for NSW	Roads and Maritime Services	17. Public transport	28,218	42	717,150	56	0.56	0.96	
15	Driver Authority - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	24,053	43	1,033,820	47	0.63	1.09	
16	Heavy Vehicle Permit	Transport for NSW	Roads and Maritime Services	14. Private transport	22,457	44	1,616,904	34	0.43	0.43	
17	Certificate of Registration as a Real estate Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	18,985	48	-	180	0.59	1.41	✓
18	Owner Builder	DFS	NSW Fair Trading	15. Residential or	17,569	49	-	180	0.41	0.70	✓

Number	Licence type	Department <sup>a</sup>	Agency <sup>a</sup>	Licence area	Assessment 1 Licence numbers	Assessment 2 Licence revenue	Assessment 3 Policy score (original median = 0.42)	Reform Multiplier	Also raised in submissions received by IPART		
	Permit <sup>d</sup>			commercial works							
19	Real Estate Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	17,446	50	-	180	0.59	1.41	✓
20	Radiation User Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	13,101	56	1,089,667	46	0.42	0.77	
21	Permit to Conduct a Lottery - Trade Promotion - single promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	11,942	58	895,650	51	0.46	0.59	✓
22	On-Premises Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,020	64	245,000	87	0.49	0.63	
23	Dangerous Goods Driver Licence	DPC	Environment Protection Authority	4. Dangerous goods	7,849	65	100,605	109	0.49	0.88	
24	Plant Health Certificates	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	7,755	66	218,577	91	0.48	0.87	
25	Environment Protection Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	2,352	102	16,700,000	7	0.41	0.74	✓
26	Operator Accreditation - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	5,242	74	2,193,900	28	0.67	1.15	
27	Pharmacy Registration and Renewal	NSW Ministry of Health	Health Professional Councils Authority	9. Health or pharmaceutical	1,805	111	552,500	62	0.68	0.79	
28	Natural Gas Reticulator's Authorisation	DPC	IPART	5. Electricity, gas or water	7	241	516,000	64	0.56	0.99	
29	Occupiers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	6. Environment, plants or animals	4,336	80	496,600	66	0.61	1.11	
30	Notification of a Food Business	DTIRIS	Department of Primary Industries	8. Food	74,376	27 - 28	1,115	177 - 178	0.43	0.65	✓
31	Enclosure permit for roads or watercourses	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	29,853	41 - 42	21,051	146 - 147	0.54	0.98	
32	Voluntary Out of Home Care - placement notification	Education and Communities	Office of Communities	1. Ageing, disability or children	20,085	47 - 48	-	180	0.44	0.53	
33	Food Safety Supervisor (FSS) notification	DTIRIS	Department of Primary Industries	8. Food	10,299	58 - 59	-	180	0.45	0.68	✓
34	RSA/RCG Course	DTIRIS	NSW Office of Liquor, Gaming	10. Liquor, gaming or racing	8,439	63 - 64	-	180	0.44	0.56	

Number	Licence type	Department <sup>a</sup>	Agency <sup>a</sup>	Licence area	Assessment 1 Licence numbers	Assessment 2 Licence revenue	Assessment 3 Policy score (original median = 0.42)	Reform Multiplier	Also raised in submissions received by IPART		
35	Valuer	NSW Department of Finance and Services	NSW Fair Trading and Racing	12. Occupational (eg required to practice in professional occupation)	3,196	88 - 89	1,248,239	41 - 42	0.44	1.04	✓
36	Registration as architect (full)	DFS	NSW Architects Registration Board	12. Occupational (eg required to practice in professional occupation)	3,734	83 - 84	825,310	53 - 54	0.60	1.42	✓
37	Transfer liquor licence (T)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,080	105 - 106	624,000	60 - 61	0.56	0.72	
38	Roads permits and approvals	DPC	Barangaroo Delivery Authority	15. Residential or commercial works	33	208 - 209	558,950	61 - 62	0.45	0.76	
39	NABERS Accredited Assessor Agreement	DPC	Office of Environment and Heritage	5. Electricity, gas or water	845	133 - 134	507,000	64 - 65	0.63	1.10	
40	Individual Private Accredited Certifiers - building surveying and subdivision	DPC	Department of Planning and Infrastructure	12. Occupational (eg required to practice in professional occupation)	312	155 - 156	468,000	67 - 68	0.71	1.68	

<sup>a</sup> This refers to the Department/Agency who completed the survey response for the licence type.

<sup>b</sup> For licence number 30 to 40 (inclusive) in this table, the ranking is a notional ranking band to indicate where the licence would rank between if it was incorporated into the original list of 269 significant licences when ranked by number of licences and licence revenue, eg, Notification of a Food Business would rank (by licence number) between the licences ranked 27 and 28 in Appendix J, Table J.1 of the Draft Report.

<sup>c</sup> Licence revenue may include rents and taxes, in addition to licence administration charges.

<sup>d</sup> The Owner Builder Permit has been considered in relation to the Home Building Licence.

**Note:** The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## 5.2 Further analysis of ‘Top 10’ licences

This section presents our specific licence reform recommendations and reform impact analysis for the ‘Top 10’ priority licences (shaded in green in Table 5.1). Our analysis of another 10 licences in the ‘Top 40’ (shaded in blue in Table 5.1), which were also identified by stakeholders, is presented in section 5.3. Both sections 5.2 and 5.3 are presented in order of priority according to our analysis.

As noted above, we have assessed the impact of these recommendations. Appendix K contains supporting material for our licence assessments and analysis (including details of our assumptions and calculations).

We also note that our review of each of these licences focuses on specific aspects of licence design and/or administration. Therefore, as with all other licences in our ‘Top 40’, each relevant agency should conduct a more comprehensive review of these licences using the Licensing Framework, which includes undertaking a full cost benefit analysis (per Recommendation 3 above). This is recognised in our analysis.

The sections below focus on *specific* reforms. However, we also note there are other potential reform options, which can be considered when reviewing each licence against the Licensing Framework.

Where we have made a specific reform recommendation relating to a ‘Top 10’ priority licence, we have specified that the recommendation should be carried out by the end of 2014 or 2015, as appropriate. This will ensure that the reforms contribute to the NSW Government’s red tape reduction target of \$750 million by June 2015.

Table 5.2 presents the estimated impacts of our specific reform recommendations for the ‘Top 10’ priority licences. It also lists our ‘at least’ estimates of the aggregate or economy-wide gains that could be achieved from improving each licence’s design and administration (ie, in moving from its actual policy score to the optimum policy score, as discussed in Chapter 4 and Appendix G).

We have estimated the potential aggregate gains from reforming all ‘significant’ licences (see Appendix H and J). Our estimates indicate that improvements to the design and administration of the:

- ▼ 310 significant licences could save at least \$342 million per year across the NSW economy.
- ▼ ‘Top 40’ licences could save at least \$212 million per year across the NSW economy.
- ▼ ‘Top 10’ priority licences could save at least \$193 million per year across the NSW economy.<sup>78</sup>

As previously mentioned, our estimates of aggregate or economy-wide gains of licence reform are conservative (ie, ‘at least’). This is because they are derived using generally *conservative* estimates of the *direct* costs of licensing<sup>79</sup> – which are then multiplied to reflect the flow-on cost savings to other parts of the economy. They do not account for broader economic effects or dynamic efficiency gains, such as benefits from removing restrictions on competition or improved resource allocation.<sup>80</sup>

Table 5.2 indicates that significant savings and red tape reductions can be realised by reforming most of the ‘Top 10’ priority licences. For these ‘Top 10’ priority licences, we have estimated the **net benefits** of our specific reform recommendations to be between \$108 million and \$129 million per year. In particular, large savings are estimated from the reform of the Registration of a light vehicle (between \$100 million and \$115 million of savings per year) and the Home Building Licence (about \$8 million of savings per year).

We have estimated the **red tape savings** of our specific licence reform recommendations to be between \$117 million and \$130 million per year. The impact on the NSW Government **budget** of these licence reforms is estimated to be budget neutral in the long term.

In general, dollar figures in this report are presented in 2011/12 real dollars and costs have been calculated using licence survey data collected by IPART for the period 1 July 2011 to 30 June 2012.

<sup>78</sup> See Appendix G and J.

<sup>79</sup> That is, licence revenue as a proxy or indicator of these costs.

<sup>80</sup> As discussed in Chapter 4, for each significant licence we have developed a ‘structural multiplier’, which captures the flow-on effects of the licence in the economy. For private transport licences (eg, registration of a light vehicle), we have set the structural multiplier to 1, due to difficulties in allocating private transport services to the input-output sector. However, a large proportion of car registrations, for example, are business related, and increased costs of licences/registrations used for business purposes would have flow-on effects to other areas of the economy. Reduced costs of licences/registrations used for private purposes may have flow on effects to the extent that they permit increased expenditure on other goods and services.

**Table 5.2 Estimated impacts of IPART recommended licence reforms for 'Top 10' priority licences**

'Top 10' priority licence type	Specific licence reform recommendation	Estimate of net benefits of specific reform option	Estimate red tape savings <sup>a</sup> of specific reform option	Estimate of impact on NSW Govt. budget of specific reform option	IPART's estimate of minimum economy-wide gains (\$ millions per year)
Registration of a light vehicle	✓ (see Rec. 4)	▼ Between \$100 million and \$115 million savings per year.	▼ Between \$108 million and \$115 million savings per year.	▼ Neutral or minimal negative effect.	> 100
Driver's licence – Car and Driver's licence – Rider	✓ (see Rec. 6)	▼ No net benefit for first 5 years. ▼ Net benefit of approximately \$3.1 million per year for subsequent 5 years. ▼ Net benefit of approximately \$1.5 million per year thereafter.	▼ No savings for first 5 years. ▼ Savings of approximately \$3.4 million per year for next 5 years. ▼ Savings of approximately \$1.7 million per year thereafter.	▼ Budget neutral in long term.	50 – 100
Registration of Firearms	Current review	-	-	-	Not applicable.
NSW Photo Card	As per Driver's licences	-	-	-	0.5 – 2.5
Recreational Fishing Fee	✓ (see Rec. 7)	-	-	-	5 – 10
Registration of a recreational vessel	✓ (see Rec. 8)	▼ No net benefit for first year. ▼ Net benefit of approximately \$2.1 million per year for next 4 years. ▼ Net benefit of approximately \$1.7 million per year thereafter.	▼ No net benefit for first year. ▼ Savings of approximately \$2.1 million per year for next 4 years. ▼ Savings of approximately \$1.7 million per year thereafter.	▼ Budget neutral in long term.	0.5 – 2.5



'Top 10' priority licence type	Specific licence reform recommendation	Estimate of net benefits of specific reform option	Estimate red tape savings <sup>a</sup> of specific reform option	Estimate of impact on NSW Govt. budget of specific reform option	IPART's estimate of minimum economy-wide gains (\$ millions per year)
Home Building Licence (HBL)	✓ (see Rec. 9)	▼ Net benefits of approximately \$8.1 million per year (HBL).	▼ Up to \$8.1 million savings per year (HBL).	▼ Minimal positive effect (HBL).	25 – 50 (HBL)
Owner Builder Permit (OBP)	✓ (see Rec. 11)	▼ Approximately \$0.7 million savings per year (OBP).	▼ Up to \$0.9 million savings per year (OBP).	▼ Negative effect of approximately \$0.2 million per year (OBP).	No estimate available (OBP).
Registration of Heavy Vehicle	National reform	-	-	-	2.5 – 5

<sup>a</sup> Does not include costs incurred by NSW Government departments/agencies responsible for administering regulations or providing services as per the Better Regulation Office (2012), *Guidelines for estimating savings under the red tape reduction target*, p.6  
[http://www.dpc.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0004/136237/Guidelines\\_for\\_estimating\\_savings\\_under\\_the\\_red\\_tape\\_reduction\\_target.pdf](http://www.dpc.nsw.gov.au/__data/assets/pdf_file/0004/136237/Guidelines_for_estimating_savings_under_the_red_tape_reduction_target.pdf), accessed 4 July 2013.

**Source:** Impact analysis on relevant 'Top 10' licences, see section 5.2 in Chapter 5 and Appendix K.

### 5.2.1 Registration of a light vehicle

Light vehicle owners are required to register their vehicle (including motor cycles, trailers and caravans) of up to 4.5 tonnes gross vehicle mass with NSW Roads and Maritime Services (RMS) to drive them on NSW roads. In addition, light vehicles more than five years old are required to pass a safety inspection as part of the annual registration renewal process.

There were about 350,000 new and 5.5 million renewed light vehicle registrations in the 2011/12 financial year, and about 5.6 million registrations in force as at 30 June 2012.<sup>81</sup>

Total NSW Government revenue received for application, renewal, and processing fees in 2011/12 totalled \$1.8 billion (although a large proportion of this licence revenue, approximately 82%, includes the weight tax).<sup>82</sup>

The annual safety inspection requirement is a key licence condition in NSW for the registration of light vehicles older than five years. Currently, vehicle safety inspection reports (previously known as ‘pink slips’) are valid for up to 6 weeks for the purpose of registration renewal for light vehicles.<sup>83</sup>

#### Recommendation

- 4 NSW Roads and Maritime Services should, by the end of 2014, extend the validity of light vehicle safety inspection reports to 26 weeks for the purpose of renewing light vehicle registrations, except for public passenger vehicles.

On 21 May 2014 the Minister for Roads and Freight *announced that this recommendation will be implemented* by the end of 2014.<sup>84</sup>

<sup>81</sup> RMS’s revised survey response to IPART’s licence survey, 20 June 2013.

<sup>82</sup> IPART calculation based on information provided by RMS in email of 8 February 2013.

<sup>83</sup> NSW Roads and Maritime Services (2014), *Authorised Inspection Scheme*, <http://www.rta.nsw.gov.au/registration/authorisedinspectors/ais/index.html>, accessed 20 March 2014.

<sup>84</sup> NSW Minister for Roads and Freight (2014), media release, *Making life easier for motorists: licence and pink slip changes in NSW*, 21 May 2014, <http://www.rms.nsw.gov.au/news/ministerial/news2014/20140521-licence-pink-slip-changes.html>, accessed 18 August 2014.

### Rationale for reform

This licence has been identified as an area for reform due to the large number of registrations and the total revenue associated with light vehicle registrations. It is the most significant licence in NSW in terms of number of licences and total revenue.<sup>85</sup> This licence also has an above median policy score, as it has not been reviewed within the last five years, has short maximum duration and scope to target inspections.

The last reform to the vehicle safety inspection requirement was in 2008, which included the following key changes:<sup>86</sup>

- ▼ some vehicle classes were no longer required to undergo annual safety inspection until the vehicle was five years of age, up from the previous 3-year limit
- ▼ safety inspection reports (known at the time as 'pink slips') would be transmitted electronically from inspection stations to the Roads and Traffic Authority (now RMS).

In considering potential reforms for light vehicle registration we reviewed:

- ▼ the safety inspection requirements for light vehicles in other Australian jurisdictions and in New Zealand, and
- ▼ the academic and regulatory research on the effectiveness of periodic motor vehicle inspections.

We found that the safety inspection requirements for light vehicles in Australian jurisdictions vary greatly between:

- ▼ annual inspection based on age of vehicle
- ▼ inspections required at or around time of sale of used vehicle
- ▼ structured random roadside or call-in inspection programs
- ▼ no structured safety inspection program.

### Safety inspection regimes

Table 5.3 provides a summary of the light vehicle safety inspection arrangements in Australian States and Territories as of March 2013.

<sup>85</sup> Although a large proportion (approximately 82%) of this licence revenue is from the 'weight-tax' component of registration fees.

<sup>86</sup> Roads and Traffic Authority (2013), *Rego reforms to save NSW families money and time*, August 2007; [http://www.rta.nsw.gov.au/newsevents/2007/2007\\_08\\_regochanges.html](http://www.rta.nsw.gov.au/newsevents/2007/2007_08_regochanges.html), accessed July 2013.

**Table 5.3** Light vehicle safety inspection arrangements in Australian jurisdictions (March 2013)

State or territory	Inspection arrangements
New South Wales <sup>a</sup>	<ul style="list-style-type: none"> <li>▼ No safety inspections for light vehicles under 5 years old.</li> <li>▼ Annual safety inspections of all light vehicles more than 5 years old.</li> <li>▼ Annual inspections of all vehicles using Liquefied Petroleum Gas (LPG).</li> </ul>
Victoria <sup>b</sup>	<ul style="list-style-type: none"> <li>▼ Safety inspection required on sale of used registered light vehicle - certificate of roadworthiness must be provided by a seller to a buyer at the time of sale.</li> </ul>
Queensland <sup>c</sup>	<ul style="list-style-type: none"> <li>▼ Safety inspection required on offering a registered light vehicle for sale – safety certificate must be displayed on the vehicle from the moment it is offered for sale.</li> </ul>
South Australia <sup>d</sup>	<ul style="list-style-type: none"> <li>▼ No mandatory safety inspections as part of light vehicle registration or sale requirements.</li> <li>▼ Random on-road light vehicle safety inspections conducted by the on-road roadworthy inspection team.</li> </ul>
Western Australia <sup>e</sup>	<ul style="list-style-type: none"> <li>▼ Inspection required for first registration of light vehicle.</li> </ul>
Tasmania <sup>f</sup>	<ul style="list-style-type: none"> <li>▼ No mandatory safety inspections as part of light vehicle registration or sale requirements.</li> <li>▼ Random Inspection Call-in Scheme – enables Registrar of Motor Vehicles to call in a sample of particular vehicle types or classes for safety inspection at an Approved Inspection Station.</li> </ul>
ACT <sup>g,h,i</sup>	<ul style="list-style-type: none"> <li>▼ Inspection required on first registration of light vehicle.</li> <li>▼ Safety inspection required on sale of a registered light vehicle over 6 years old – vehicle inspection report obtained by buyer and required for transfer of registration.</li> <li>▼ Random on-road and car park inspections are conducted by Road User Services officers (50,000 random inspections conducted in 2004).</li> <li>▼ Annual mandatory inspections for registration renewal of vehicles using LPG or Compressed Natural Gas.</li> </ul>
Northern Territory <sup>j</sup>	<ul style="list-style-type: none"> <li>▼ Annual safety inspection required for registration renewal of light vehicles aged 10 years and older.</li> <li>▼ Safety inspection required for first registration in NT of all light vehicles greater than 3 years old.</li> </ul>

<sup>a</sup> Roads and Traffic Authority (1998), *Vehicle Standards Information*, <http://www.rta.nsw.gov.au/registration/downloads/vsi/vsi14.pdf>, accessed 20 March 2014.

<sup>b</sup> *Road Safety (Vehicles) Regulation 2009* (VIC), clause 71(3).

<sup>c</sup> Queensland Government (2013), *Roadworthy and safety certificates*, <http://www.qld.gov.au/transport/registration/roadworthy/index.html>, accessed 20 March 2014.

<sup>d</sup> Government of South Australia, Transport (2012), *Road Safety: Roadworthiness*, [http://www.dpti.sa.gov.au/roadsafety/safer\\_vehicles/roadworthiness](http://www.dpti.sa.gov.au/roadsafety/safer_vehicles/roadworthiness), accessed 20 March 2014, and Department of Planning, Transport and Infrastructure (2010), *Roadworthy inspection team targeting metro roads*, [http://webapps.transportsa.com.au/news/templates/dtei\\_template2010.aspx?articleid=1782&zoneid=1](http://webapps.transportsa.com.au/news/templates/dtei_template2010.aspx?articleid=1782&zoneid=1), accessed 20 March 2014.

<sup>e</sup> Department of Transport (2014), *Get your vehicle examined*, <http://www.transport.wa.gov.au/licensing/21100.asp>, accessed 20 March 2014.

<sup>f</sup> Department of Infrastructure, Energy and Resources, (2013), *Vehicle Inspection Information Sheet*, [http://www.transport.tas.gov.au/operator\\_information/vehicle\\_inspection\\_scheme\\_information\\_sheet](http://www.transport.tas.gov.au/operator_information/vehicle_inspection_scheme_information_sheet), accessed 20 March 2014.

<sup>g</sup> ACT Government, Rego ACT (2011), *Approved Inspection Stations*, <http://www.rego.act.gov.au/registrations/regoes.htm>, accessed 20 March 2014.

<sup>h</sup> ACT Road Transport, *Review of Vehicle Inspection Arrangements: Outcome Report*, August 2004, p 5.

<sup>i</sup> ACT Government, Rego ACT (2011), *Vehicles that use LPG*, <http://www.rego.act.gov.au/registrations/regolpg.htm>, accessed 20 March 2014.

<sup>j</sup> Northern Territory Government (2013), *Inspection Types*, [http://www.transport.nt.gov.au/\\_\\_data/assets/pdf\\_file/0005/19652/vib19.pdf](http://www.transport.nt.gov.au/__data/assets/pdf_file/0005/19652/vib19.pdf), accessed 20 March 2014.

Our review highlights that NSW and the Northern Territory are the only Australian jurisdictions with regular periodic vehicle inspection requirements. NSW's arrangements are stricter than those of the Northern Territory, which require annual inspections for vehicles aged 10 years and older. Some jurisdictions have different arrangements for vehicles powered by Liquefied Petroleum Gas (LPG) or Compressed Natural Gas (CNG) to reflect the different safety risks associated with these fuels.

### Vehicle inspections and road safety

We also reviewed the literature on periodic motor vehicle inspections, vehicle age and their relationship with car accidents. Our findings were:

- ▼ Periodic vehicle inspections reduce but do not eliminate defects in a vehicle fleet.
- ▼ Vehicle defects generally play a small role in car accidents, although the share of accidents where defects are a contributory factor may be under-reported.
- ▼ The evidence is not conclusive about the effectiveness of periodic vehicle inspections on reducing the number of accidents.
- ▼ Older cars have an elevated safety risk, but this has been progressively reducing over time as technology and safety standards have improved. When compared to other developed countries, NSW has a relatively old vehicle fleet (10.7 years on average in 2012).<sup>87</sup>
- ▼ Older cars have a higher crash risk, even immediately after they are certified as roadworthy. This is partly due to a tendency for driver characteristics to relate to vehicle age, such as older cars being driven by young and inexperienced drivers or older drivers.
- ▼ Education on and promotion of car safety, car maintenance and safer driver behaviour may be more cost-effective in reducing crash rates than periodic safety inspections.

A more detailed summary of these research findings can be found in Appendix K.

<sup>87</sup> NSW Roads and Maritime Services, *Table 1.1.12 Average age (years) of Registered vehicles by vehicle type by LGA as at 31 December 2012 (and as of 31 Dec of other years)*; [http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table1112\\_2012q4.html](http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table1112_2012q4.html), accessed July 2013.

As noted, the annual safety inspection requirement is a key licence condition in NSW for the registration of light vehicles older than 5 years. In evaluating potential reform options for this licence, we have considered how the existing inspection regime could be improved.

### Stakeholder submissions

Submissions<sup>88</sup> to IPART suggested reform to the annual safety inspection process including:

- ▼ removing annual inspections
- ▼ reducing the number of vehicles requiring annual safety inspections (eg, require inspections for vehicles 10 years or older rather than 5 years or older)
- ▼ rolling 'green slips'<sup>89</sup> into driver's licence fees
- ▼ requiring safety inspections be conducted when owners sell a vehicle, instead of annual inspections.

We consulted Transport for NSW and RMS on their views on the need for annual safety inspections. They were concerned that removing the safety inspection requirement would:<sup>90</sup>

- ▼ increase the number of accidents
- ▼ increase congestion caused by accidents and vehicle breakdowns
- ▼ require increased police enforcement to meet road safety targets
- ▼ make it difficult to detect rebirthed and modified vehicles.

Given the sensitivity surrounding the impact of the safety inspection regime on overall road safety and congestion, we consider a more thorough review is needed. In the meantime, we consider there is scope for extending the validity period of the vehicle safety inspection reports required for renewal of light vehicle registrations. Our recommended reform is discussed in the next section.

<sup>88</sup> NSW Business Chamber submission to IPART, December 2012 and 2 anonymous submissions.

<sup>89</sup> Compulsory Third Party insurance is commonly known as a 'green slip'; Roads and Maritime Services (2013), *Green slip – Compulsory Third Party insurance*, <http://www.rta.nsw.gov.au/registration/regorenawal/greenslip.html>, accessed July 2013.

<sup>90</sup> Transport for NSW, letter to IPART, 5 June 2013, Tab A, pp 1-4.

### Recommended reform

Vehicle safety inspection reports are currently valid for up to 6 weeks for the purpose of registration renewal for light vehicles. We consider that extending the validity period of safety inspection reports is a reform that could provide significant benefits with minimal costs. We evaluated the following two options:

- ▼ **Option 1:** Extending the validity period of vehicle safety inspection reports to 26 weeks (6 months) for the purpose of light vehicle registration renewal.
- ▼ **Option 2:** Extending the validity period of vehicle safety inspection reports to 13 weeks (3 months) for the purpose of light vehicle registration renewal.

Our analysis suggests that both reform options would deliver significant benefits, while the associated costs, although uncertain, are likely to be small.

We are recommending that RMS implement Option 1, as we consider that this would have significantly higher benefits than Option 2. We also consider that the costs, although uncertain, are likely to be similar and small under both options.

Please note that the recommended reform does not extend to public passenger vehicles, which have a more stringent inspection regime.<sup>91</sup>

### Reform benefits

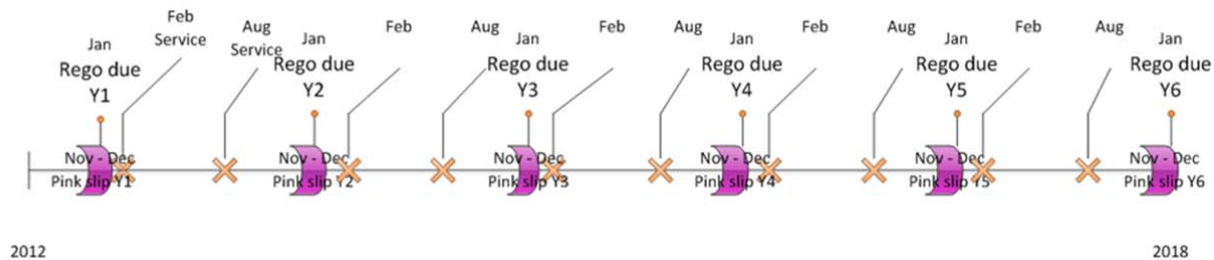
A 6-month validity period for a vehicle safety inspection report would provide vehicle owners with considerable flexibility in allowing them to choose a convenient time for the safety inspection of their vehicle. While the convenience factor is itself valuable, providing such flexibility would also create important flow-on benefits to vehicle owners (both private and business) and Authorised Inspection Scheme (AIS) stations responsible for issuing vehicle safety inspection reports.

The most important of these benefits would be to reward those vehicle owners who service their vehicle regularly (eg, once or twice a year). The reform would allow these vehicle owners to schedule their safety inspection at the same time as the regular service. This would save an additional trip to an AIS station at the time of registration renewal merely to obtain a safety inspection report. Figure 5.1 compares the current arrangements with that of the recommended reform, for a motorist having their vehicle serviced every 6 months.

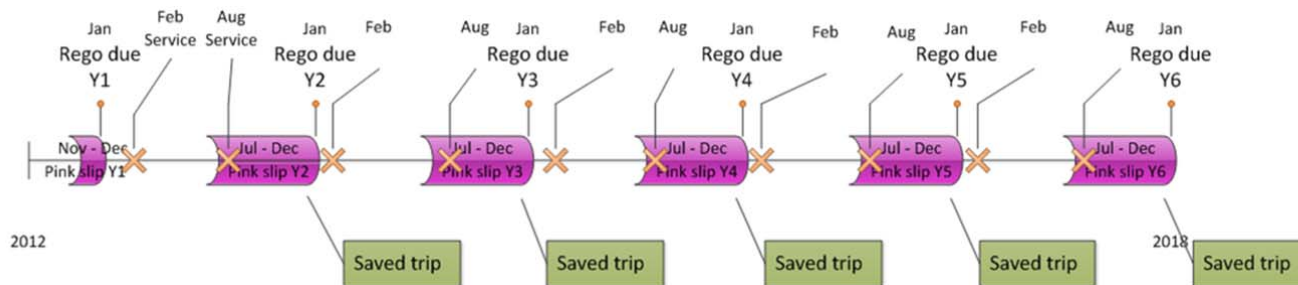
<sup>91</sup> Transport for NSW, letter to IPART, 5 June 2013, Tab A, p 4.

**Figure 5.1 Impact of the reform: vehicle age > 5 years, serviced every 6 months**

**a) Current safety inspection regime (6 weeks validity): vehicle age > 5 years, serviced every 6 months**



**b) Recommended safety inspection regime (26 weeks validity): vehicle age > 5 years, serviced every 6 months**





Another significant benefit is the improved efficiency of safety inspections. When a safety inspection is undertaken in conjunction with a service, certain aspects of the safety inspection are likely to overlap with the service being performed. The AIS station would therefore save time and deliver efficiencies in conducting the safety inspection. For example, the AIS station could save time on:

- ▼ setting-up, including hoisting a vehicle and moving vehicles through the inspection station
- ▼ testing, including conducting tests while the vehicle is already set up for servicing; and avoid testing the vehicle twice on those aspects already being undertaken as part of the service.

The recommended reform would also strengthen the competitive advantage of motor vehicle repairers in the AIS network, creating an incentive for more mechanics to seek AIS authorisation. This could in turn increase the number of AIS stations. Although this could lead to a minor increase in costs to RMS of administering the AIS, we consider this would be offset by further time and travel cost savings to those vehicle owners who would be able to take their vehicle to AIS stations closer to their residence or business as a result of the additional AIS stations.

The reform may also create an incentive for some vehicle owners to time their 'sporadic' services to the 6-month period preceding registration renewal. This could in some cases lead to behavioural change from sporadic to regular servicing, which in turn may have a positive effect on road safety and congestion. While we have not quantified the potential cost implication of this behavioural change, we consider the positive impact could be significant.

### Reform costs

We recognise that the reform would permit a vehicle to occasionally be registered for a period greater than 12 months without having a safety inspection. That is, under certain circumstances, a vehicle could be registered for up to a maximum of 18 months without a safety inspection. For example:

- ▼ **In year 1**, a vehicle owner chooses to have the vehicle inspected close to the date of registration renewal, as under the current system.
- ▼ **In year 2**, following the implementation of the reform, this vehicle owner could choose to bring the inspection forward, and have the vehicle inspected 6 months before registration renewal (ie, only about 6 months after the previous inspection).
- ▼ **In year 3**, the vehicle owner could now again chose to have the vehicle inspected close to registration renewal. As a result, the vehicle would now have been unchecked for up to 18 months.

Such an extended interval between safety inspections would need to be preceded by 1 or more intervals of less than 12 months between inspections. This means that extended intervals between inspections cannot be ongoing. In the example above, the interval in year 2 is about 6 months.

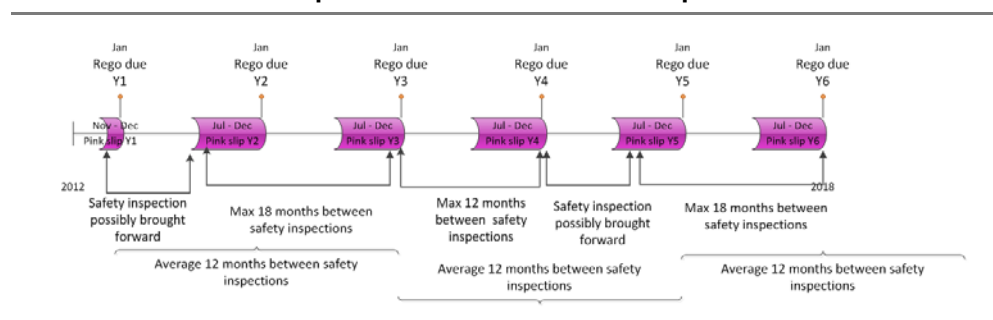
The average time between safety checks would remain at 12 months within any 3-year period, as shown in Figure 5.2.

Allowing vehicles to occasionally remain registered for over 12 months without a safety inspection may lead to a slight increase in the number of potentially unsafe vehicles on the road. While we consider this effect to be minimal, it could have a slight negative impact on road safety and congestion, due to the potential for a marginal increase in the risk of accidents and breakdowns.

Overall, we consider it more likely that the net impact on road safety and congestion would be positive, due to the potential increase in the share of vehicles that would be regularly serviced, as discussed above.

We also consider the recommended reform would have minimal administrative impact on RMS, and that the costs of implementation are likely to be small. We note that RMS has previous experience in extending the validity of the safety inspection reports from 4 to 6 weeks in 2005.<sup>92</sup>

**Figure 5.2** Impact of the reform: vehicle age > 5 years, no regular service, maximum possible interval between inspections



### Impact of reform

Our analysis suggests that extending the validity period of safety inspection reports to 6 months would deliver significant benefits, while the associated costs are likely to be small.

In estimating the potential economic costs and benefits of the recommended reform, we have made conservative assumptions to avoid under-estimating costs or over-estimating benefits.

<sup>92</sup> Roads and Traffic Authority, *Changes to the validity period of light vehicle 'pink slips' and e-Safety Check inspections*, *Vehicle Inspectors Bulletin* 64, issued August 2005.

### Estimated net benefits

We have estimated the potential costs and benefits to be as follows<sup>93</sup> (in 2012, real dollars<sup>94</sup>):

Benefits	Costs
<p>Between \$108 million and \$115 million of quantified benefits, comprising:</p> <ul style="list-style-type: none"> <li>▼ Reduced cost of time for vehicle owners who obtain a safety inspection report in combination with a regular service, thereby avoiding 1 trip to the mechanic per year – estimated to \$78 million. This comprises:<sup>95</sup> <ul style="list-style-type: none"> <li>– \$28 million to businesses</li> <li>– \$51 million to individuals.</li> </ul> </li> <li>▼ Reduced travel costs associated with 1 avoided trip to the mechanic per year (eg, fuel costs) – estimated to between \$7 million and \$14 million. This comprises: <ul style="list-style-type: none"> <li>– \$1 million to \$2 million to businesses</li> <li>– \$6 million to \$12 million to individuals.</li> </ul> </li> <li>▼ Efficiency time savings for AIS stations carrying out the safety inspection in combination with a service – estimated to \$23 million.</li> </ul> <p>Plus potentially significant unquantified benefits, comprising:</p> <ul style="list-style-type: none"> <li>▼ Behavioural change in vehicle owners who would be more likely to service their vehicle regularly, thereby improving road safety.</li> <li>▼ Increase in the number of AIS stations, giving further flexibility to vehicle owners.</li> </ul>	<p>Between \$0.3 million and \$7.6 million of incremental road safety and congestion costs resulting from the potential for a marginal increase in crashes - likely closer to the lower end of the range.</p> <p>Plus likely small unquantified costs, comprising:</p> <ul style="list-style-type: none"> <li>▼ Reform implementation costs (eg, legislative changes, changing systems and forms, and undertaking an education campaign).</li> <li>▼ Potential for small increase in AIS administration costs due to increase in number of AIS stations.</li> <li>▼ Set-up costs for additional motor vehicle repairers joining the AIS network because of the reform.</li> </ul>
<b>Net benefit: approximately between \$100 million and \$115 million quantified</b>	

The assumptions and calculations underlying these estimates are provided in Appendix K.

### Estimated reduction in regulatory burden

We consider that the recommended reform would reduce the regulatory burden on light vehicle owners through:

- ▼ time savings for those vehicle owners who have their car serviced regularly, who could avoid one trip to the mechanic each year merely for the purpose of a vehicle safety inspection

<sup>93</sup> All cost estimates use the NSW Better Regulation Office (2012), *Guidelines for estimating savings under the red tape reduction target*.

<sup>94</sup> It is assumed that the cost of time for the public and businesses remain constant in real terms.

<sup>95</sup> Note that these do not add to \$78 million due to rounding.

- ▼ travel cost savings (eg, fuel cost savings) associated with vehicle owners' avoided trips to mechanics
- ▼ efficiency savings for AIS stations carrying out a safety inspection in combination with a regular service, which would avoid repeating tasks such as setting up and preparing the vehicle, and testing aspects that are already being undertaken as part of the service.

### **Estimated additional societal costs and benefits**

We consider the societal costs and benefits of the recommended reform in addition to the red tape savings to be as follows:

- ▼ Neutral or positive overall impact on road safety and congestion, through a combination of:
  - The potential for a slight increase in accidents and breakdowns by allowing vehicles to occasionally remain registered for over 12 months without a safety inspection. We have estimated the potential impact of this to be an increase in costs of crashes ranging between \$0.3 million and \$7.6 million. However, we consider it likely to be towards the lower end of the range. These costs are also likely to be partially offset by the improved safety of those vehicles undergoing safety inspections at shorter intervals than 12 months.
  - Behavioural change causing more vehicles to be regularly serviced, which is likely to result in fewer accidents and breakdowns. We have not quantified this benefit, but we consider it could be significant.
- ▼ Initial set-up costs for those motor vehicle repairers who choose to join the AIS network as a result of the reform, associated with training and obtaining the necessary equipment. We have not been able to quantify this impact, but we consider this cost would be small. We also consider this cost may be outweighed by the further benefits resulting from increased choice of AIS stations for vehicle owners.
- ▼ Small costs to the NSW Government, as outlined below.

### **Estimated budget implications**

We consider the impact of the recommended reform on the NSW Government budget would be small, and would consist of:

- ▼ Costs associated with the implementation of the reform, such as making changes to legislation, administrative systems and forms, and undertaking an education campaign. We have not been able to estimate the implementation costs, but we consider they would be relatively minor, noting again that RMS has previous experience in extending the validity of the safety inspection reports from 4 to 6 weeks in 2005.<sup>96</sup>

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<sup>96</sup> Roads and Traffic Authority, *Changes to the validity period of light vehicle 'pink slips' and e-Safety Check inspections*, *Vehicle Inspectors Bulletin* 64, issued August 2005.

- ▼ A maximum increase of \$0.8 million in road accident costs. This estimate is based on assumptions that allow for a significant increase in the risk of accidents as a result of the reform, which we consider to be unlikely. Moreover, if there is an increase in the share of light vehicles being serviced regularly, it is likely that the net effect on road accident costs would be positive, also for the NSW Government budget.
- ▼ A small increase in annual AIS administration costs, due to a potential increase in the number of AIS stations as a result of the reform. We have not estimated this additional administration cost, but we consider it likely to be small.

### Review of annual safety inspection requirement

As discussed in the section on the rationale for reform, there is no conclusive evidence about the effectiveness of periodic vehicle inspections in reducing the number of accidents. In light of this, and the fact that the annual safety inspection requirement for light vehicles has not been reviewed in the last 5 years in NSW, we also recommend that the NSW Government review the annual safety inspection requirement using the Licensing Framework by the end of 2015.

On 6 June 2014, Transport for NSW released a public discussion paper proposing major reforms to light vehicle registration including incentives for safer and “greener” vehicles, such as lower registration fees and stamp duty. Community and stakeholder feedback on the NSW vehicle inspection regime, including inspection criteria and inspection intervals, was received until the end of July 2014 as part of the consultation process on the vehicle registration reforms.<sup>97</sup>

### Recommendation

- 5 The NSW Government should, by the end of 2015, review the annual safety inspection requirement for light vehicle registration (administered by NSW Roads and Maritime Services) using the Licensing Framework.

### 5.2.2 Driver’s licences (Car and Rider)

Vehicle drivers are required to have a driver’s licence in the relevant class to drive or ride on Australian roads. There are seven classes of driver’s licences in NSW, including Car, Rider, Light rigid, Medium rigid, Heavy rigid, Heavy combination and Multi-combination. The number of new and renewed driver’s licences in the 2011/12 financial year and the number of NSW licences in force at 30 June 2012 are displayed in Table 5.4. As many drivers hold multiple licence classes, and almost all hold a car driver’s licence, these numbers are not mutually exclusive.

<sup>97</sup> Transport for NSW (2014), *Vehicle Registration Initiatives* Discussion Paper, June 2014, <http://www.transport.nsw.gov.au/engagement/vehicle-registration-initiatives> accessed 18 August 2014.

**Table 5.4 Number of driver's licences in NSW**

Driver's licence class	Class code	New in 2011/12	Renewed in 2011/12	In force on 30 June 2012
Car	C	146,072	864,470	4,432,276
Rider	R	28,748	2,892	525,002
Light rigid	LR	41	12,596	86,186
Medium rigid	MR	187	30,812	127,679
Heavy rigid	HR	583	34,221	202,892
Heavy combination	HC	163	18,039	110,908
Multi-combination	MC	80	5,080	21,054

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

When a driver is licensed, RMS records the classes of licence on a single licence card and renewal for each licence is for the same term. As of October 2013, unrestricted licences cost \$52 for one year, \$124 for 3 years and \$166 for 5 years for all vehicle classes. Driver's licence fees are not subject to Goods and Services Tax (GST).<sup>98</sup> There is no additional fee associated with renewal of a driver's licence with multiple classes. Under the "Fair go for safe drivers" scheme, licence holders who have had no offences recorded on their driving licence for the previous 5 years are entitled to a 50% discount on the licence fee.<sup>99</sup>

Total government revenue received from driver's licences (Car) in 2011/12 totalled about \$107 million, comprising about \$9 million in application fees and \$98 million in renewal fees.

#### Recommendation

- 6 NSW Roads and Maritime Services should, by the end of 2014, provide a 10-year licence duration option for driver's licence classes C and R (unrestricted) for drivers aged between 21 and 44 years.

On 21 May 2014, the Minister for Roads and Freight *announced that this recommendation will be implemented* by the first quarter of 2015.<sup>100</sup>

<sup>98</sup> NSW Roads and Maritime Services (2013), *Licensing fees*, <http://www.rta.nsw.gov.au/licensing/licensingfees.html>, accessed 21 October 2013.

<sup>99</sup> NSW Roads and Maritime Services (2012), *Fair go for safe drivers scheme*, [http://www.rta.nsw.gov.au/licensing/renewinglicence/renewing\\_discount.html](http://www.rta.nsw.gov.au/licensing/renewinglicence/renewing_discount.html), accessed 20 July 2013.

<sup>100</sup> NSW Minister for Roads and Freight (2014), media release, *Making life easier for motorists: licence and pink slip changes in NSW*, 21 May 2014, <http://www.rms.nsw.gov.au/news/ministerial/news2014/20140521-licence-pink-slip-changes.html>, accessed 18 August 2014.

On 24 June 2014, the *Maritime and Transport Licensing Legislation Amendment Act 2014* was assented to, allowing for an introduction of an integrated transport licence in NSW. This licence will allow a NSW driver licence to be combined with a boat driving or personal watercraft licence. The Act also makes necessary changes to provide for the transfer of boat driving licensing and vessel registration functions to Roads and Maritime Services.<sup>101</sup> These recent developments are likely to result in further red-tape savings through consolidating two business systems into a new combined Roads and Maritime Services system.

### Rationale for reform

Driver's licences have been identified as an area for reform due to the large number of licences issued and high revenue associated with the licences. These licences also have an above median policy score, as they have not been reviewed within the last 5 years and have short maximum durations.

We recommend that RMS provides an option for a 10-year term driver's licence to holders of licences Classes C and R (Unrestricted) for drivers aged between 21 and 44 years. Our assessment of the impacts of this recommendation is outlined below.

This reform would be in line with other jurisdictions (eg, South Australia<sup>102</sup> and Victoria<sup>103</sup> both offer a 10-year licence renewal option) and requirements for other forms of photo identification (eg, Australian passports). Stakeholder responses to the *Have your say* survey<sup>104</sup> and a submission<sup>105</sup> also suggested that driver's licence duration be extended to 10 years.

<sup>101</sup> Minister for Roads and Freight (2014), Legislative Council Minister's Second Reading Speech, NSW Legislative Council Hansard and Papers Wednesday, 7 May 2014 [http://www.parliament.nsw.gov.au/prod/parlment/NSWBills.nsf/1d436d3c74a9e047ca256e690001d75b/7e254c342186cdc9ca257cd000227b35/\\$FILE/2R%20Maritime%20and%20Transport.pdf](http://www.parliament.nsw.gov.au/prod/parlment/NSWBills.nsf/1d436d3c74a9e047ca256e690001d75b/7e254c342186cdc9ca257cd000227b35/$FILE/2R%20Maritime%20and%20Transport.pdf), accessed 18 August 2014.

<sup>102</sup> Government of South Australia (2014) *Renew your driver's licence*, <https://www.sa.gov.au/topics/transport-travel-and-motoring/motoring/drivers-and-licences/maintaining-and-updating-your-driver-s-licence/renewing-your-driver-s-licence>, accessed 20 March 2014.

<sup>103</sup> Vic roads (2012), *What the law says*, <http://www.vicroads.vic.gov.au/Home/SafetyAndRules/SaferDrivers/FamilyandFriends/Whatthelawsays.htm>, accessed 20 February 2013.

<sup>104</sup> Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>105</sup> Anonymous submission (W12/1223), 6 November 2012.

Transport for NSW has advised us that RMS is currently developing an online application that would allow certain licence-holders to renew their driver licence for an additional 5-year licence term. We consider that this alternative has considerable merit. However, we consider that it should be in addition to our recommended reform, and allow for renewal of a licence for multiple terms, up to a maximum duration of 10 years. This online renewal would provide the greatest benefit to customers who choose shorter licence-duration options, such as a 3-year licence duration.

### Impact of reform

#### Estimates of net benefits

The potential economic costs and benefits of our recommendation that RMS provide an option for a 10-year term driver's licence to holders of licences Classes C and R (Unrestricted) for drivers aged between 21 and 44 years (in 2012, real dollars) are as follows:

Benefits	Costs
<p>Total of no savings for the first 5 years, savings of \$3.4 million per year for the following 5 years, and \$1.7 million per year thereafter, comprising:</p> <ul style="list-style-type: none"> <li>▼ Reduced administrative burden on licence holders due to lower renewal frequency (no savings for the first 5 years, savings of \$2.2 million per year for the following 5 years, and \$1.1 million per year thereafter).</li> <li>▼ Reduced government administrative burden due to lower renewal frequency (no savings for the first 5 years, savings of \$1.3 million per year for the following 5 years, and savings of \$0.6 million per year thereafter).</li> </ul>	<p>Total of small cost (less than \$0.1 million per year) for the first 5 years, costs of \$0.3 million per year for the following 5 years, and \$0.2 million per year thereafter, comprising:</p> <ul style="list-style-type: none"> <li>▼ Increased potential for identity theft due to older photographs and associated enforcement/ response costs (estimated costs of identity theft of less than \$0.1 million per year for the first 5 years, and \$0.2 million per year thereafter).</li> <li>▼ Minimal potential increase in safety risk associated with foregoing an eyesight test (no additional costs for the first 5 years, \$0.1 million per year for the second 5 years and less than \$0.1 million per year thereafter).</li> </ul>
<b>Net benefit: up to \$3.1 million per year</b>	

**Note:** Totals may not sum due to rounding.

#### Reform benefits

As shown in the table, there are no benefits (and potentially a small net cost of less than \$0.1 million due to identity theft) in the first 5 years as all existing licence holders will renew in that time. Starting from the second 5-year period, there will be red-tape savings both to licence holders and RMS, as there will be no renewals of 10-year licences issued in the first 5-year period. We have estimated that there will be net benefits of approximately \$3.1 million per year in the second 5-year period, and net benefits of approximately \$1.5 million per year thereafter.



Red tape savings arising from the recommended 10-year duration option for drivers aged 21 to 44 years can be compared to the potential costs arising from identity theft and the road safety implications of foregoing an eyesight test at the end of the first 5-year period.

### Reform costs – identity theft

Our preliminary analysis indicates that the potential costs associated with identity theft are likely to be small. A 10-year duration option could potentially increase the risk of identity theft by:

- ▼ over time, increasing the pool of lost or stolen driver's licences that appear to be valid in terms of licence expiry dates
- ▼ reducing the frequency of card security updates, such as updates of technological protection features, and
- ▼ impeding the use of the facial recognition technology.<sup>106</sup>

In practice, drivers licences are not usually assessed using the facial recognition technology but are presented as a Proof of Identity (POI) to an authorised person who visually checks the likeness of the image to the licence holder. We have restricted our recommendation to the 21 to 44 year age group to minimise the risks of facial changes becoming so significant as to impede visual identification. The frequency of a major change in facial appearance seems to be low: in a given year, less than 3 in 10,000 driver's licences are replaced for the reason of appearance change.<sup>107</sup>

We note that susceptibility to personal fraud is often influenced by individual behaviour and attitudes to safeguarding personal and financially sensitive information. The primary responsibility of safeguarding personal information and documents serving as a POI, including a driver's licence, rests with the individual. In Australia, data on personal fraud for 2011 suggests that in the previous 5 years, 0.5% of the population were subject to identity theft.<sup>108</sup>

<sup>106</sup> The reliability of existing facial recognition technology depends on the quality of the photo image used for matching. Modern biometric technologies rely on permanent facial characteristics that are relatively stable over time (eg, Introna, L. and Nissenbaum, H. (2009), *Facial Recognition Technology: A Survey of Policy and Implementation Issues*, The Center for Catastrophe Preparedness and Response, New York University, pp 18-19. Available at Social Science Research Network: <http://ssrn.com/abstract=1437730>, accessed 15 June 2013). Transport for NSW/RMS have indicated (in a letter to IPART, dated 5 June 2013) that a young person's facial appearance may change significantly compared with more mature people, which has the potential to impede the matching ability of their facial recognition software, and so the issue of a 10-year licence term would not be suitable for people under 21 years of age.

<sup>107</sup> IPART analysis based on RMS (2013), *Table 2.3.4 Monthly replacement licences by replacement reason*, <http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table234.html>, accessed 1 July 2013.

<sup>108</sup> Australian Bureau of Statistics (2012), *4528.0 Personal Fraud, Australia, 2010-11, Table 3*, <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4528.0/>, accessed 15 June 2013.

When estimating the incremental cost of identity theft as a result of our recommended reform, we found only small incremental costs of \$0.1 million per year for the first 5 years, and \$0.2 million per year thereafter. See Appendix K Table K.10.

We note that similar identity theft costs could also be expected from RMS's proposed online application to renew driver's licences.

### **Reform costs – eyesight testing**

Another potential cost of our recommended reform is the potential increase in road safety risk associated with foregoing an eyesight test at the end of the first 5-year period. To minimise potential safety implications, our recommended 10-year duration option is limited to specific driver's licence classes (unrestricted 'Car' licences and unrestricted 'Rider' licences) and by age group (ie, 21 to 44 year olds).<sup>109</sup> This age group is currently not required to undertake an eyesight test every 5 years.<sup>110</sup>

Drivers that experience changes to their eyesight are required to report the change to RMS, and a replacement licence is issued to reflect their new condition. In 2012, 0.5% of NSW driver's licences were replaced due to 'condition change – spectacles'.<sup>111</sup> We note that it is in the drivers' own interest to ensure that their eyesight is adequate for their own safety.

We have estimated the potential costs of a change in eyesight condition not being identified by or reported to RMS. We calculated this as the incremental costs of an increase in accident risk caused by additional drivers with impaired vision. We found that these incremental costs are likely to be small. Specifically, we have estimated that there would be no additional costs for the first 5 years, \$0.1 million per year for the second 5 years, and less than \$0.1 million per year thereafter. See Appendix K Table K.8.

<sup>109</sup> Transport for NSW/RMS have indicated (in a letter to IPART, dated 5 June 2013) that under current NSW policy, licence holders who are 45 years of age or older are required to undertake an eyesight test every 5 years.

<sup>110</sup> Austroads (2012) *Assessing Fitness to Drive*, p 126, [http://www.austroads.com.au/images/stories/assessing\\_fitness\\_to\\_drive\\_2013.pdf](http://www.austroads.com.au/images/stories/assessing_fitness_to_drive_2013.pdf), accessed 15 June 2012.

<sup>111</sup> IPART analysis based on RMS (2013), *Table 2.3.4 Monthly replacement licences by replacement reason*, <http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table234.html>, accessed 1 July 2013.

We consider similar safety risks could be expected from RMS's proposed online application for renewal of driver licences. These safety risks could be mitigated by imposing further restrictions, such as not allowing licence holders who indicate (or who have indicated in the past) that they have certain medical conditions to renew online. However, even these higher-risk licence holders could benefit from an online renewal option, where supporting documentation could be provided either in electronic format, via post, or in person at an RMS branch.

### **Estimates of reduction in regulatory burden**

Extending the duration of driver's licences will save time for licence holders. For every 10-year period, the licence holders will save one trip to an RMS branch for the purpose of licence renewal. We have estimated that this would result in no savings for the first 5 years, savings of \$2.2 million per year for the following 5 years, and \$1.1 million per year thereafter.

Similarly, there will be administrative time-savings to RMS from having to process one less licence renewal for those licence holders who chose a 10-year duration option. We have estimated that this would result in no savings for the first 5 years, savings of \$1.3 million per year for the following 5 years, and savings of \$0.6 million per year thereafter. We assume these savings will be passed on to licence holders by RMS efficiently pricing the 10-year licence.

### **Estimates of budget implications**

In the long-term, the recommended extension of the maximum 10-year licence duration will be revenue neutral assuming the licence fee structure is efficient.

There may be cash flow implications for the RMS in the transitional phase: an initial increase in revenue (as licence holders choose the longer licence term with an associated higher fee) will be followed by a revenue fall in the second 5-year period (due to no renewals of 10-year licences). Revenue neutrality is likely to emerge after 10 years when licence holders will have adjusted to a new 10-year cycle.

### **5.2.3 Registration of firearms**

Owners of firearms must register their firearms with the NSW Police. Prior to purchasing and registering a firearm, applicants must have a current NSW firearms licence and permit to acquire a firearm. NSW Police officers, prison officers and members of the armed forces (while acting in the ordinary course of their duties) are not required to comply with registration provisions.<sup>112</sup>

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<sup>112</sup> NSW Police Force (2013) *Firearms Registry*, <http://www.police.nsw.gov.au/services/firearms>, accessed 14 March 2013.

NSW Police issued about 42,000 registrations in the 2011/12 financial year and there were about 770,000 registrations in force on 30 June 2012.

### Potential for reform

The benefits of reform to this licence may be significant due to the large number of registrations issued and in force. Registration of firearms also has an above median policy score as fees are not set on a cost recovery basis and have not been reviewed in the last 10 years, and there is significant scope to improve administration.

Stakeholder responses to the *Have your say* survey also suggested reforms to the Registration of firearms, including:

- ▼ reviewing the firearms categories
- ▼ consolidating some firearms categories
- ▼ making licensing information available to licensees easier to understand.<sup>113</sup>

### Current/planned reforms

The Ministry for Police and Emergency services is reviewing the NSW Firearms Regulation to ensure it adheres to the NSW Government's better regulation principles and continues to protect public safety.<sup>114</sup> Further, in July 2013, the Government announced an independent audit of the NSW Firearms Registry. This independent audit will include examining whether the registry's operations are efficient, effective and align with its legislative and regulatory responsibilities.<sup>115</sup> In light of these reviews, we are not making a recommendation on the registration of firearms and have not conducted an impact analysis for this licence.

#### 5.2.4 NSW Photo Card

The NSW Photo Card is a voluntary licence for people who do not hold a valid NSW driver's licence or other form of photo identification. A NSW Photo Card displays the bearer's name, address, date of birth and photo. It has the same application process and security as the NSW driver licence and is accepted both as the proof of identity and the proof of age.

<sup>113</sup> Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>114</sup> Ministry for Police and Emergency Services (2012), *Labor's firearms regulations to be reviewed*, <http://www.mpes.nsw.gov.au/news.php/748.html>, accessed 15 July 2013.

<sup>115</sup> Ministry for Police and Emergency Services (2013), *NSW Firearms Registry*, at <http://www.mpes.nsw.gov.au/newsarticle.html?newsid=815>, accessed 17 October 2013.

There were about 300,000 cards in force as at 30 June 2012 (with about 90,000 new and 14,000 renewed during the 2011/12 financial year). Total government revenue received for this licence was approximately \$3 million in 2011/12. The fees are subsidised for pensioners and concession card holders.<sup>116</sup>

### Rationale for reform

This licence has been identified as an area for reform due to the large number of licences and high revenue associated with the licence. This licence also has an above median policy score as it has not been reviewed within the last 5 years, has short maximum duration, and scope for improved online services.

Similar to driver's licences, NSW Photo Cards play a role as Proof of Identity without the additional function of verifying driving skills and fitness to drive. The potential costs of identity fraud from the proposed option are similar to those calculated for the driver's licences (in 'per licence' terms). However, there are no additional costs in terms of road safety like those associated with the driver's licence as discussed above.

Implementing the recommended reform of driver's licences would allow similar reform to be applied to the NSW Photo Card at minimal additional cost to RMS. This is also true for RMS' proposed online application for licence renewal. Either reform would result in small red tape savings. Extending the validity of the NSW Photo Card to 10 years would be in line with other forms of photo identification, such as Australian passports and other jurisdictions (eg, Queensland,<sup>117</sup> South Australia and Victoria).

RMS should assess if any relevant red tape reforms of driver's licences should also be applied to NSW Photo Cards. This should include assessment of relevant age restrictions, eg, whether a 10-year licence duration is appropriate for NSW Photo Card holders aged 21 years or older.<sup>118</sup>

<sup>116</sup> Roads and Maritime Services (2013), *Pensioner concessions*, [http://www.rta.nsw.gov.au/registration/feesconcessions/regocosts\\_pensioner.html](http://www.rta.nsw.gov.au/registration/feesconcessions/regocosts_pensioner.html), accessed 1 July 2013.

<sup>117</sup> Transport and Main Roads (2010), *Adult Proof of Age Card*, [http://www.cftqld.com.au/sites/default/files/new\\_adult\\_proof\\_of\\_age\\_card.pdf](http://www.cftqld.com.au/sites/default/files/new_adult_proof_of_age_card.pdf), accessed 15 July 2013.

<sup>118</sup> Transport for NSW/RMS have indicated (in a letter to IPART, dated 5 June 2013) that a young person's facial appearance may change significantly compared with more mature people. This has the potential to impede the matching ability of their facial recognition software, and so the issue of a 10-year licence term would not be suitable for people under 21 years of age.

### 5.2.5 Recreational Fishing Fee

The Recreational Fishing Fee is generally required to be paid by any person fishing in NSW waters (whether freshwater or saltwater) by any method, otherwise than for sale.<sup>119</sup> A receipt for payment must be supplied on request from Fisheries Officers during inspections at fishing locations.

There were about 270,000 new and 220,000 renewed Recreational Fishing Fee licences paid in the 2011/12 financial year and \$13.4 million in revenue accrued.

#### Recommendation

- 7 The NSW Government should, by the end of 2015, review the recreational fishing fee licence (administered by the Department of Primary Industries) using the Licensing Framework with respect to duration, fee-setting and administration.

NSW Trade & Investment in its submission commented that the NSW Government *accepted the draft recommendation*. For this Final Report, we have extended the timeline for review until the end of 2015. The recreational fishing fee was revised in September 2013 and the next assessment is scheduled in 2016. The Department of Primary Industries will review the recreational fishing fee in February 2015 to allow for fee adjustment in 2016.<sup>120</sup>

#### Potential for reform

This licence has been identified as a potential reform priority due to the large number of licences issued and high revenue associated with the licence. This licence also has an above median policy score as the licence has not been reviewed within the last 5 years and has a short maximum duration.

In addition, stakeholder responses to the *Have your say* survey suggested reforms including:

- ▼ linking fishing, driving and boat licences
- ▼ extending the duration of fishing licences to 5 years.<sup>121</sup>

Analysis of the regulatory framework for recreational fishing in Australian jurisdictions and internationally suggests that the recreational fishing licence is widely used to manage recreational fishing harvest, especially in fisheries with sustainability issues.

<sup>119</sup> NSW Department of Primary Industries, Fishing and Aquaculture (undated), *Recreational fishing licence fee*, <http://www.dpi.nsw.gov.au/fisheries/recreational/licence-fee>, accessed 15 May 2013.

<sup>120</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

<sup>121</sup> Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

The underlying economic rationale for regulating recreational fishing is the so-called 'fisheries problem', resulting from the common property characteristic of fisheries. The common property nature of fisheries leads to an excessive total fishing effort, resulting in overfishing. To prevent overfishing and induce the optimal level of effort, economic instruments are used to complement direct input and output control measures.<sup>122</sup>

A modern integrated fisheries management approach recognises competing users of the fisheries resources, including commercial, recreational and indigenous fishers. The combined impact of recreational fishers on fish stocks in NSW is significant. The current state of fish stocks in NSW indicate that 42% of fish species reported on by NSW Fisheries do not allow much extension of fishing effort (activity), including 6% which are already overfished. Recreational fishers contribute to a significant share of the total harvest for about 30 fish species.<sup>123</sup>

The economic rationale for maintaining the recreational fishing fee lies in the 'beneficiary pays' principle. There are significant private benefits accruing to recreational fishers from use of the public resources (fisheries). Public programs, such as fish re-stocking and buying out commercial fishers, improve the quality of the experience for recreational fishers.

Revenue raised from the Recreational fishing fee is placed into two recreational fishing trusts: saltwater and freshwater. The trusts spend the funds on recreational fishing enhancing programs (such as fish aggregation devices and artificial reefs), education, fishing facilities, habitat protection and rehabilitation, fisheries enforcement and research.<sup>124</sup>

<sup>122</sup> Gordon, H.S. (1954), *Economic theory of a common property resource: The fishery*. Journal of Political Economy, Volume 62, pp 124-142. Arnason, R. (2009), *Fisheries management and operations research*, European Journal of Operational Research, Volume 193(3), pp 741-751.

<sup>123</sup> NSW Government, Industry & Investment, *Status of Fisheries Resources in NSW 2008/09*, <http://www.dpi.nsw.gov.au/research/areas/fisheries-and-ecosystems/wild-fisheries/outputs/2010/1797/StatusOfFisheriesResourcesNSW2008-09.pdf>, accessed 15 July 2013.

<sup>124</sup> NSW Department of Primary Industries, Fishing and Aquaculture (undated), *Recreational Fishing Trusts*, <http://www.dpi.nsw.gov.au/fisheries/recreational/fees>, accessed 15 July 2013.

Given the large number of licensees/recreational fishers in NSW, the recreational fishing licence can potentially deliver red tape savings with better design and administration. Potential areas for improvement include licence duration, pricing (the level of fees) and administration of both fee collection and the recreational trust funds expenditures. We note that the price of a fishing licence increased on 1 September 2013, the first increase since 2005. The fee was increased by the latest annual change in the Consumer Price Index (CPI).<sup>125</sup> We recommend that the recreational fishing fee licence should be reviewed using Licensing Framework with respect to duration, fee-setting and administration.

### 5.2.6 Registration of a commercial or recreational vessel

The owner of a commercial or recreational vessel must register their vessel with RMS when in NSW navigable waters if the vessel is:

- ▼ a commercial vessel
- ▼ powered by an engine with a power rating of 4.0 kilowatts or more
- ▼ 5.5 metres or longer
- ▼ subject to a mooring licence
- ▼ a personal watercraft (such as a jet ski).

Currently, these vessels must be registered annually (as indicated in the RMS survey response).

There were about 13,000 new and 220,000 renewed registrations of commercial or recreational vessels in the 2011/12 financial year and 230,000 registrations in force on 30 June 2012. About 95% of these new and renewed registrations were for recreational vessels.

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<sup>125</sup> NSW Department of Primary Industries, *Reminder: Fishing fee set to increase this weekend*, August 2013, at <http://www.dpi.nsw.gov.au/aboutus/news/all/2013/reminder-fishing-fee-increase>, accessed 17 October 2013.



As per June 2013, the typical annual fees charged by RMS for recreational and commercial vessel registrations (not accounting for exemptions or concessions) are presented in Table 5.5:

**Table 5.5 Vessel registration fees (June 2013)**

Vessel	Initial registration fee (incl. GST)
General registration	\$60 for vessels up to 3 metres, \$9.50 per half metre in excess of 3 metres to a maximum of \$587
Personal watercraft	\$297
Personal watercraft (concession)	\$149.50
Class 3 fishing vessel	\$75

**Source:** Maritime NSW (2013), *Registrations*, [http://www.maritime.nsw.gov.au/rec\\_boating/rec\\_fees.html#Registrations](http://www.maritime.nsw.gov.au/rec_boating/rec_fees.html#Registrations), accessed 15 June 2013.

Other RMS fees associated with registration include transfer fees and cancellation of registration fees.

NSW Government revenue received for application, renewal and processing fees in 2011/12 totalled almost \$25 million.<sup>126</sup>

#### Recommendation

- 8 NSW Roads and Maritime Services should, by the end of 2015, provide an option of a 5-year registration of a recreational vessel.

We have received stakeholder comments supporting the provision of an option of a 5-year registration of a recreational vessel.<sup>127</sup> The *Maritime and Transport Licensing Legislation Amendment Act 2014* has enabled the transfer of boat driving licensing and vessel registration functions to Roads and Maritime Services. There are potential benefits to be achieved from greater harmonisation of road and maritime licensing and registration. Additional red-tape saving measures (such as a continuous registration option) proposed by RMS in relation to light motor vehicles, can potentially be extended to the registration of recreational vessels.<sup>128</sup>

<sup>126</sup> Roads and Maritime Services revised survey response to IPART's licence survey, 21 March 2013.

<sup>127</sup> Outdoor Recreation Industry Council NSW Inc. (ORIC) - Peralta, K., submission to IPART, 3 July 2014.

<sup>128</sup> Transport for NSW (2014), *Vehicle Registration Initiatives Discussion Paper*, June 2014, <http://www.transport.nsw.gov.au/engagement/vehicle-registration-initiatives>, accessed 18 August 2014.

### Rationale for reform

This licence has been identified as an area for reform due to the large number of licences and the high total revenue associated with this licence type. It also has an above median policy score because of the short maximum licence duration, the lack of any review of registration in the last 5 years, and no review of fees in the last 10 years.

As from 1 July 2013, commercial vessels are regulated by the Australian Maritime Safety Authority, with RMS as its NSW delegate. A national certificate of operation replaces NSW commercial vessel registration, and RMS will be the issuer of the certificate in NSW. Under this new scheme, registration has a 5-year validity.<sup>129</sup>

We recommend that RMS offer registration of a recreational vessel for terms of up to 5 years.

Transport for NSW and RMS have proposed an alternative option of investigating greater harmonisation between RMS' roads and maritime functions, including administration of vehicle and vessel registrations.<sup>130</sup> We support greater harmonisation between RMS' roads and maritime functions and note that our recommendation could be applied in addition to these harmonisation measures.

A 5-year recreational vessel registration could be provided as an option to certain customers. For example, when registering a light vehicle for one year, a boat owner could be offered an option of registering their boat for 5 years. It should be noted that, safety or technical inspections (known as surveys) are not required for recreational vessels.<sup>131</sup>

Our assessment of the impact of our recommendation to offer registration of a recreational vessel for terms of up to 5 years is outlined below.

We consider that a wider review of the recreational vessel registration scheme should occur using the Licensing Framework. We also note that other areas that may warrant investigation include the size and power threshold for registration of a recreational vessel and whether the renewal fees are efficient and represent cost recovery.

<sup>129</sup> Roads and Maritime Services (2013), *Commercial Vessels – New National System*, [http://www.maritime.nsw.gov.au/cv/comm\\_home.html](http://www.maritime.nsw.gov.au/cv/comm_home.html), accessed 17 October 2013.

<sup>130</sup> As per letter received from Transport for NSW, dated 5 June 2013.

<sup>131</sup> Vessels in commercial use in Australia are required to undertake survey inspections to ensure that they are compliant with National Standards. Transport for NSW (2013), *Maritime, Vessel Survey*, [http://www.maritime.nsw.gov.au/cv/vessel\\_survey.html](http://www.maritime.nsw.gov.au/cv/vessel_survey.html), accessed 29 October 2013.

## Impact of reform

### Estimates of net benefits

The potential economic costs and benefits of the proposed duration reform recommendation (in 2012, real dollars) are as follows:

Benefits	Costs
<p>Total of:</p> <p>No savings for the first year, savings of \$2.1 million for the following 4 years, and \$1.7 million per year thereafter, comprising:</p> <ul style="list-style-type: none"> <li>▼ Reduced regulatory burden on vessel owners associated with renewing registration (no savings for the first year, savings of \$0.5 million per year for the following 4 years, and \$0.4 million per year thereafter)</li> <li>▼ Reduced administrative burden on government for processing of renewal applications (no savings for the first year, savings of \$1.6 million per year for the following 4 years, and savings of \$1.3 million per year thereafter)</li> </ul>	<p>Minimal costs as there is currently no inspection regime for recreational vessels</p>

**Note:** Totals may not sum due to rounding.

There is no net benefit in the first year, a net benefit of approximately \$2.1 million per year for the next 4 years, and a net benefit of approximately \$1.7 million per year thereafter.

The delay in benefits comes from all existing registrations being renewed in the first year. No 5-year registrations are renewed in the following 4 years as none are due to expire.

As there is no inspection regime associated with recreational vessel registration, there are no costs associated with extending the registration period.

### Estimates of reduction in regulatory burden

Providing registration of recreational vessels for a term of up to 5 years will reduce the regulatory burden on vessel owners through saving time associated with renewing the registration.

In addition, vessel owners would also benefit from the reduced administrative fees required to be paid for registration. If we assume the administrative portion of existing licence fees is cost reflective, there are no savings for the first year, savings of \$1.6 million per year for the following 4 years, and savings of \$1.3 million per year thereafter.

### Estimates of budget implications

If RMS sets registration fees to cover the administrative costs of registration, there should be no budget implications in the long-term. There may be a short-term positive budget effect as vessel owners register for 5 years in the first year that a 5-year term is available and fees not relating to the administrative component of the licence are collected. This will be balanced by reduced revenue in the following 4 years when vessel owners with 5-year registrations do not renew.

The assumptions and calculations used to estimate the net benefits, reduction in regulatory burden and budget implications of our specific recommendation are presented in Appendix K.

#### 5.2.7 Home Building Licence (and Owner Builder Permit)

Whilst the Owner Builder Permit is not in the list of 'Top 10' priority licences, the Home Building Licence should be considered in relation to the Owner Builder Permit. The licence thresholds for these two licences are currently aligned so that the opportunity to circumvent the *Home Building Act 1989* is limited. As such, this section presents our specific licence reform recommendations and impact analysis for the:

- ▼ Home Building Licence, where 2 separate areas are considered:
  - Mandatory continuing professional development (CPD) requirements for builders and swimming pool builders.
  - Value threshold for requiring a Home Building Licence.
- ▼ Owner Builder Permit.

#### Home Building Licence

All builders and tradespeople who carry out work in the residential building industry in NSW are required to have a Home Building Licence or certificate. A licence is required when the reasonable market cost of labour and materials for a project is over \$1,000 (including GST).<sup>132</sup>

There are 3 Home Building Licence types:

- ▼ **Contractor Licence:** authorises the licence holder to contract with a purchaser of their services to carry out and supervise work of the category for which they are licensed.<sup>133</sup>

<sup>132</sup> *Home Building Act 1989* (NSW), section 4(1); *Home Building Regulation 2004* (NSW), clause 9. Australian Business Licence and Information Service (undated), *Contractor licence – Building – Individual – New South Wales*, <https://ablis.business.gov.au/nsw/pages/ebfd9030-f834-4d62-8b0d-b6fcebfbcb7b1.aspx>, accessed 15 July 2013.

<sup>133</sup> *Home Building Act 1989* (NSW), section 28.

- ▼ **Qualified Supervisor Certificate:** allows a person to carry out and supervise residential building work of the category for which they are licensed.<sup>134</sup>
- ▼ **Tradesperson Certificate:** is issued in the categories of electrical wiring, plumbing, draining and gas-fitting. It authorises its holder to carry out any specialist work of the category for which they are licensed under the general supervision and control of the holder of a contractor licence or qualified supervisor certificate.<sup>135</sup>

The Home Building Licence ensures qualified persons undertake work in the areas of residential building and specialist trades. The licences also place obligations on contractor licence and tradesperson certificate holders to work under supervision,<sup>136</sup> and for licence holders to ensure that the work is performed in a good and workmanlike manner.<sup>137</sup>

There were about 15,000 new and 80,000 renewed Home Building Licences in the 2011/12 financial year, with about 180,000 licences in force on 30 June 2012. About 25,000 of the licences in force on 30 June 2012 were building and swimming pool building licences.

NSW Government revenue received for application and renewal fees in 2011/12 totalled approximately \$32 million.<sup>138</sup>

### CPD requirements

Since March 2004, all general building and swimming pool building licence holders have been required by the Director-General under the *Home Building Act 1989* to undertake CPD as part of the licence renewal process. These licence holders are required to undertake CPD related to 8 topics and obtain 12 CPD points per year.<sup>139</sup> The specific requirement is at the Director-General's discretion.

<sup>134</sup> *Home Building Act 1989* (NSW), section 27(1).

<sup>135</sup> *Home Building Act 1989* (NSW), section 27(3).

<sup>136</sup> *Home Building Act 1989* (NSW), section 27(2).

<sup>137</sup> *Home Building Act 1989* (NSW), section 51.

<sup>138</sup> IPART analysis based on responses to NSW Government department/agency licence survey (2011/12) (see Table 5.1).

<sup>139</sup> NSW Fair Trading (2009), *CPD Keeping you up to date*, [http://www.fairtrading.nsw.gov.au/pdfs/About\\_us/Publications/CPD\\_keeping\\_you\\_up\\_to\\_date.pdf](http://www.fairtrading.nsw.gov.au/pdfs/About_us/Publications/CPD_keeping_you_up_to_date.pdf), accessed 14 March 2013.

Topic areas to be covered include technical issues, sustainability, compliance, communication, dispute resolution, contracts, safety and business management. Licence holders can earn either 1 or 2 points per hour by attending courses, depending on the outcomes of the course and the course provider.<sup>140</sup> The costs of CPD vary according to course and provider. Generally, CPD costs between \$100 and \$500 to complete the 12 points required in a year.<sup>141</sup>

We have considered two separate reforms for the Home Building Licence. The first reform is to the CPD requirements currently associated with the licence. The second reform relates to the value threshold for requiring a Home Building Licence which is currently set at \$1,000.

#### Recommendation

- 9 The NSW Government should, by the end of 2015, remove mandatory continuing professional development (CPD) for all Home Building Licences and certificate holders (administered by NSW Fair Trading), and allow for the development of voluntary professional development programs.

#### Rationale for reform – mandatory CPD requirements

The home building licence has been identified as an area for reform due to the large number of licences issued, renewed and in force and the high revenue associated with Home Building Licences. Home Building Licences also have an above median policy score due to the short duration, the lack of cost-benefit analysis in setting conditions, the lack of review within the last 5 years<sup>142</sup> and the compliance burden associated with reporting requirements.

We note that mandatory CPD requirements place a large imposition on general building and swimming pool building licence holders, and can also be difficult for regulators to enforce (see section 7.3.1).

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<sup>140</sup> Ibid.

<sup>141</sup> For example, Housing Industry Association (HIA) Australia (undated), *Training*, <http://hia.com.au/Training.aspx>, accessed 3 March 2013; Master Builders Association (2012), *Health and Safety Representatives – NSW WorkCover Accredited*, <http://www.masterbuilderstraining.com.au/>, accessed 3 March 2013.

<sup>142</sup> Based on responses to the NSW Government department/agency licence survey (2011/2012).

Responses to *Have your say* commented that CPD for the Home Building Licence offers limited value.<sup>143</sup> The Housing Industry Association of Australia has previously indicated that it does not support mandatory CPD in the building industry.<sup>144</sup> However, the NSW Law Society Property Law Committee opposes any proposal to weaken or remove CPD as a prerequisite for maintaining an occupational licence.<sup>145</sup>

Mandatory CPD is seen as a strategy to improve the standard of construction. However, it should be noted that:

- ▼ CPD is not a guarantee that learning takes place, or if it does, that it will be translated into changes that improve practice.
- ▼ When CPD is mandatory, standardisation and uniformity is encouraged. However, the focus can become course attendance rather than responding to individuals' learning needs.
- ▼ Allowing CPD to be voluntary encourages licence holders to take initiative and direct their own learning. Furthermore voluntary initiatives enable the market participants to differentiate themselves from others<sup>146</sup>
- ▼ Alternatives to mandatory CPD requirements could be considered to help mitigate potential for reduced compliance and knowledge of industry regulations. For example, NSW Fair Trading could communicate policy, legislative and practice changes to licence holders via the licence renewal process or e-newsletters.

Participation in CPD in Victoria is voluntary for Registered Building Practitioners (RBPs).<sup>147</sup> The former Building Commission of Victoria (BCV) required RBPs to obtain a specified number of CPD points each year to participate in the CPD scheme and rewarded such participation. In 2012, about 75% of RBPs in Victoria participated in the voluntary CPD scheme.<sup>148</sup>

<sup>143</sup> Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>144</sup> IPART (2006), *Investigation into the Burden of Regulation in NSW and Improving Regulatory Efficiency*, [http://www.ipart.nsw.gov.au/files/0a4de4bf-fea7-4ed9-af3d-9f8300966bea/Final\\_Report\\_-\\_Investigation\\_into\\_the\\_burden\\_of\\_regulation\\_in\\_NSW\\_and\\_improving\\_regulatory\\_efficiency\\_-\\_5\\_October\\_2006\\_-\\_Website\\_Document.pdf](http://www.ipart.nsw.gov.au/files/0a4de4bf-fea7-4ed9-af3d-9f8300966bea/Final_Report_-_Investigation_into_the_burden_of_regulation_in_NSW_and_improving_regulatory_efficiency_-_5_October_2006_-_Website_Document.pdf), accessed 14 March 2013.

<sup>145</sup> The Law Society of NSW submission to IPART, December 2012.

<sup>146</sup> Griscti, O., Jacono, J. (2006), *Effectiveness of continuing education programmes in nursing: literature review*, <http://onlinelibrary.wiley.com/doi/10.1111/j.1365-2648.2006.03940.x/full>, accessed 26 June 2013. Hamilton, H. (1996), *Mandatory Continuing Education For Nurses*, [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0014/85001/subdr81-attachment2.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0014/85001/subdr81-attachment2.pdf), accessed 26 June 2013. It should be noted that whilst these references refer to CPD in the nursing profession, the arguments referred to in our report are over-arching arguments that can be applied across professions.

<sup>147</sup> Victorian Building Authority (undated), *Continuing Professional Development (CPD)*, <http://www.vba.vic.gov.au/practitioners/continuing-professional-development-cpd>, accessed 22 September 2014.

<sup>148</sup> Building Commission of Victoria (2012), *Continuing Professional Development Awards for Registered Building Practitioners* [http://www.buildingcommission.com.au/\\_\\_data/assets/pdf\\_file/0005/8663/BPC2817\\_1\\_1\\_CPD\\_AwardsProgram\\_2012\\_4.pdf](http://www.buildingcommission.com.au/__data/assets/pdf_file/0005/8663/BPC2817_1_1_CPD_AwardsProgram_2012_4.pdf), accessed 26 June 2013.

In submissions received in response to our Draft Report, stakeholders were divided in their views on CPD and our draft recommendation to remove mandatory CPD for all licence and certificate holders in NSW, and allow for the development of voluntary professional development programs. For example, the:

- ▼ Master Builders Association of NSW commented that the majority of its membership would welcome this recommendation, although it is aware of a minority who hold a different view while not agreeing with the existing CPD structure.<sup>149</sup>
- ▼ Housing Industry Association support the recommendation, however does not support the implementation of a voluntary scheme.<sup>150</sup>

In acknowledging that there are differing views surrounding CPD for Home Building Licence holders, we consider that the market can respond appropriately to its customer's preferences through a voluntary scheme.

We maintain our recommendation that NSW Fair Trading should remove mandatory CPD for all licence and certificate holders in NSW, and allow for the development of voluntary professional development programs. Our estimate of the impacts of this recommendation is outlined below.

Our impact analysis assumes that a similar proportion of licence holders in NSW would undertake CPD under a voluntary scheme to that of RBPs in Victoria. The probability of this being achieved is likely to be improved through offering a similar rewards scheme to that employed in Victoria.

#### Impact of reform – removing mandatory CPD requirements

We have assessed the net benefits of removing mandatory CPD for all licence and certificate holders. This would allow for industry organisations and other bodies to develop certification schemes and associated training requirements, although these would be voluntary for licence holders.

<sup>149</sup> Master Builders Association of NSW - Meredith, P., submission to IPART, 3 July 2014.

<sup>150</sup> Housing Industry Association - Rooke, L., submission to IPART, 4 July 2014.



### Estimates of net benefits

The potential economic costs and benefits of the proposed reform recommendation to remove mandatory CPD for all licence and certificate holders (in 2012, real dollars) are as follows:

Benefits	Costs
<p>Total of \$8.1 million, comprising:</p> <ul style="list-style-type: none"> <li>▼ Reduced fees for licensees associated with mandatory CPD (\$1.9 million in savings per year), assuming 75% of licence holders continue to undertake CPD<sup>a</sup></li> <li>▼ Reduced cost of time for licensees required for mandatory CPD (\$5.7 million in savings per year)</li> <li>▼ Reduced cost of time for licensees related to updating and keeping records of CPD (\$0.5 million in savings per year)<sup>b</sup></li> <li>▼ Reduced NSW government administration costs at point of licence renewal to ensure compliance with CPD requirements (\$40,000 in savings per year)</li> </ul>	<ul style="list-style-type: none"> <li>▼ Potential for reduced compliance and knowledge of industry regulations</li> <li>▼ Time for industry organisations to implement and encourage continued voluntary skill development</li> </ul>

<sup>a</sup> As similar licence holders do in Victoria: about 75% of Registered Building Practitioners in Victoria participate in the voluntary CPD scheme. Building Commission of Victoria (2012), *Continuing Professional Development Awards for Registered Building Practitioners* [http://www.buildingcommission.com.au/resources/documents/BPC2817\\_1\\_1\\_CPD\\_AwardsProgram\\_2012\\_\(4\).pdf](http://www.buildingcommission.com.au/resources/documents/BPC2817_1_1_CPD_AwardsProgram_2012_(4).pdf), accessed 26 June 2013.

<sup>b</sup> Licence holders are required to keep records of CPD. Although not required to submit records, these are verified in the case of audit by NSW Fair Trading. *NSW Fair Trading (2009) CPD Keeping you up to date*.

**Note:** Totals may not sum due to rounding.

Although some costs and benefits have not been quantified in this assessment, we estimate that this reform may produce net benefits of approximately \$8.1 million per year.

### Estimates of reduction in regulatory burden

The estimated reduced regulatory burden associated with removing mandatory CPD requirements would be related to:

- ▼ licensee savings from reduced fees associated with mandatory CPD (to the extent that licensees do not voluntarily undertake training)
- ▼ reduced cost of time required for licensees undertaking mandatory CPD
- ▼ reduced cost of time for licensees related to updating and keeping records of CPD.

A voluntary scheme could encourage individual licensees and certificate holders to develop innovative ways to distinguish themselves and provide evidence to potential customers of continual learning.

### Estimates of budget implications

Budget implications from removing mandatory CPD are expected to be minimal. The NSW Government may save a small amount of funds from reduced compliance and enforcement costs. Administrative personnel would no longer need to confirm licence holders have completed the required amount of CPD during licence or certificate renewal or undertake compliance activities.

The assumptions and calculations used to estimate the net benefits, reduction in regulatory burden and budget implications of our specific recommendation are presented in Appendix K.

The next section considers raising the value threshold for a Home Building Licence which is currently set at \$1,000.

### Recommendation

- 10 The NSW Government should, by the end of 2015, initially raise the value threshold for requiring a Home Building Licence (administered by NSW Fair Trading) to \$10,000, and then \$20,000 after 3 years. The threshold should be indexed at least once every 5 years.

### Rationale for reform – Home Building Licence threshold

As of March 2013, the threshold for requiring a Home Building Licence in NSW was lower than in other Australian jurisdictions (see Table 5.6).

**Table 5.6 Value of works when a Home Building Licence is required (March 2013)**

Jurisdiction	Value of works above which licence is required
New South Wales	\$1,000
Victoria <sup>a</sup>	\$5,000
Queensland <sup>b</sup>	\$3,300
Western Australia <sup>c</sup>	\$20,000
Tasmania <sup>d</sup>	\$5,000

<sup>a</sup> Victorian Building Authority (2014), *Why a Registered Building Practitioner must be part of your building plans*, <http://www.vba.vic.gov.au/practitioners/building-registrations>, accessed 22 September 2014.

<sup>b</sup> Queensland Building and Construction Commission (undated), *When you need a licence?*, <http://www.qbcc.qld.gov.au/Contractors/Licensing/when-do-you-need-a-licence/Pages/who-needs-a-licence.aspx>, accessed 22 September 2014.

<sup>c</sup> Building Commission (2013), *Builders*, <http://www.buildingcommission.wa.gov.au/licensing/builders>, accessed 27 March 2013.

<sup>d</sup> *Building Act 2000* (TAS), section 23A.

Under the *Home Building Act 1989*, Home Building Licence holders are required to obtain home warranty insurance where the contract price is over \$20,000 or, if the contract price is not known, the reasonable market cost of labour and materials involved is over \$20,000.<sup>151</sup>

We recommend that the value threshold for requiring a Home Building Licence be initially raised to a total project cost of \$10,000, but that this ultimately be increased to \$20,000 after 3 years. This would align the Home Building Licence threshold with our recommendation to increase the Owner Builder Permit threshold and also with the threshold amount for requiring home warranty insurance. Our assessment of the impacts of this recommendation is outlined below.

We also recommend that this threshold is indexed *at least* once every 5 years to ensure the value threshold remains appropriate and relevant. If indexing does not occur, the value threshold will decline in real terms and the coverage of the licence will increase over time.

Ideally indexing should occur when the Act and regulations are reviewed. The former Better Regulation Office suggested this should occur once every 5 years<sup>152</sup> and the *Subordinate Legislation Act 1989*<sup>153</sup> provides for automatic repeals of regulations every 5 years. The thresholds should be indexed by an index appropriate to the industry, for example the Producer Price Index.<sup>154</sup>

In submissions received in response to our Draft Report, the Housing Industry Association and Australian Institute of Building<sup>155</sup> were supportive of our recommendation to increase the threshold to \$20,000. However, the Master Builders Association of NSW and Building Professionals Board<sup>156</sup> are opposed to this. They consider that raising the threshold may compromise building safety and result in diminished consumer protection.

<sup>151</sup> *Home Building Act 1989* (NSW), section 92(3), *Home Building Regulation 2004* (NSW), clause 60(1). NSW Fair Trading (2013), *Home Warranty Insurance*, [http://www.fairtrading.nsw.gov.au/Tradespeople/Home\\_warranty\\_insurance.html](http://www.fairtrading.nsw.gov.au/Tradespeople/Home_warranty_insurance.html), accessed 27 June 2013.

<sup>152</sup> Better Regulation Office (2009), *Guide to Better Regulation*, [http://www.dpc.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0009/16848/01\\_Better\\_Regulation\\_eGuide\\_October\\_2009.pdf](http://www.dpc.nsw.gov.au/__data/assets/pdf_file/0009/16848/01_Better_Regulation_eGuide_October_2009.pdf), accessed 27 June 2013.

<sup>153</sup> *Subordinate Legislation Act 1989* (NSW), section 10.

<sup>154</sup> The Producer Price Index shows the difference in the cost of production. This index has been used as a measure when increasing the minimum amount of home warranty insurance cover and other thresholds in the NSW home building legislation. Source: NSW Fair Trading, *Reform of the Home Building Act 1989 - Issues Paper*, July 2012, p 33.

<sup>155</sup> Housing Industry Association - Rooke, L., submission to IPART, 4 July 2014, Australian Institute of Building - Cameron, J., submission to IPART, 4 July 2014.

<sup>156</sup> Master Builders Association of NSW - Meredith, P., submission to IPART, 3 July 2014, Building Professionals Board - George Maltabarow, submission to IPART, 18 July 2014.

We maintain our recommendation to increase the threshold to \$20,000, however acknowledge that these issues should be further considered when drafting legislation to increase the threshold. In regards to safety, it should be noted that it is generally a condition of all development consents (provided under Part 4 of the *Environment Planning and Assessment Act 1979* (NSW)) involving any building work, that the requirements of the Building Code of Australia must be complied with, regardless of the value of the work.

The consumer guarantees under the Australian Consumer Law and amendments to the statutory warranties provided by the *Home Building Act 1989* (NSW) should also be considered to ensure that subsequent owners and owners who contract a supplier not required to hold a Home Building Licence are provided with adequate consumer protections.

In addition, NSW Fair Trading recently consulted on the *Draft Home Building Regulation*, which also calls for an increase to the threshold for the Home Building Licence, although to \$5,000 only. We recommend that the threshold initially be raised from \$1,000 to \$10,000, with a further raise in the value of the threshold to \$20,000 after 3 years. We consider that increasing the value of the current threshold should reduce the regulatory costs and red tape burden for business and home owners for building work in NSW, without detriment to the Government's standards.

### Impact of reform – raising the threshold

#### Estimates of net benefits

For this Final Report we have not assessed the potential economic costs and benefits of the proposed reform recommendation to raise the value threshold for requiring a Home Building Licence from \$1,000 to \$20,000.

Further information would be required to assess the benefits of this reform, with important considerations as follows:

- ▼ An increase to the value threshold may have a smaller impact than the similar increase in threshold for the Owner Builder Permit, with few Home Building Licence holders affected. This is because a typical Home Building Licence holder is likely to engage in a series of projects throughout a year.

Under our proposed change in the threshold, the licence holder would still require the annual licence as long as one of their projects is above the threshold, even if the majority of the projects fell below it. This contrasts with the Owner Builder Permit, which owner-builders obtain on a project-by-project basis as opposed to annually.

- ▼ A possible market response to a higher threshold may be that less-qualified builders enter the market to service home building projects valued below \$20,000.
  - This may yield benefits in terms of more competition in the building sector, but may not reduce the regulatory burden experienced by existing licence holders unless some of those licence holders also chose to focus on that low-value market.
  - An increase in unregistered builders servicing low-value building contracts may have implications for the quality of building work, insurance availability and claims for incomplete work.
  - Increasing the threshold could expose consumers and subsequent owners (where works were valued between \$1,000 and \$20,000) who would have previously been protected by the statutory warranties of the *Home Building Act 1989*.<sup>157</sup>

To assess the costs and benefits of the change in threshold, the following data would be required:

- ▼ The proportion of holders of Home Building Licences that exclusively perform works on projects valued below \$20,000.
- ▼ An estimate of the proportion of holders of Home Building Licences that would shift their focus to the market for projects valued below \$20,000 to avoid licence fees (noting that we have recommended that the burden of CPD requirements be removed).
- ▼ An estimate of the proportion of the market for projects valued below \$20,000 that would be serviced by new entrants to the building market.

### **Estimates of reduction in regulatory burden**

Increasing the value threshold for requiring a Home Building Licence could reduce the regulatory burden by reducing the administrative time expended by home builders in obtaining a licence, and by the NSW Government in processing the licence.

### **Estimates of budget implications**

There may be a negative budget implication for the NSW Government from the increased value threshold if:

- ▼ NSW Fair Trading is still required to engage in compliance work relating to projects valued below \$20,000 undertaken by unlicensed builders
- ▼ licence fees currently fund that compliance work
- ▼ the NSW Government chooses to amend legislation relating to statutory warranties.

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<sup>157</sup> *Home Building Act 1989* (NSW), Part 2C – Statutory warranties.

The assumptions and calculations used to estimate the net benefits, reduction in regulatory burden and budget implications of our specific recommendation are presented in Appendix K.

### Other potential areas for reform of the Home Building Licence

The Council of Australian Governments (COAG) had previously agreed to include building occupations in the second wave of national occupational licensing to be undertaken by the National Occupational Licensing Authority (NOLA), to establish a single national licence in this area.<sup>158</sup> However, in December 2013, COAG announced that the NOLA would be disbanded and that the states and territories will now work with the Council for the Australian Federation to develop alternative options to national licensing, such as mutual recognition arrangements.<sup>159</sup>

We also support a broader review of Home Building Licences in NSW using the Licensing Framework. Other specific areas for potential reform could include:

- ▼ extending licence duration to the maximum feasible
- ▼ allowing licence applications to be completed online (noting online renewal is currently available)
- ▼ removing licence requirements on tradespeople working under a licensed contractor, as in this situation the contractor bears the risk and liability of work undertaken by the tradespeople and has an incentive to ensure these workers are appropriately qualified
- ▼ amending the approach to ensure compliance with licence standards by moving from periodic reporting (during renewal) to an exemptions based reporting scheme.

<sup>158</sup> Council of Australian Governments (COAG) (2012), *National Licensing Consultation Regulation Impact Statement for electrical occupations* [http://ris.finance.gov.au/files/2012/08/electrical\\_occupations\\_ris\\_17082012.pdf](http://ris.finance.gov.au/files/2012/08/electrical_occupations_ris_17082012.pdf), accessed 14 March 2013.

<sup>159</sup> National Occupational Licensing Authority (NOLA) (2013), *NOLA*, <http://nola.gov.au/>, accessed 23 December 2013.

### Owner Builder Permit

An individual requires an Owner Builder Permit to undertake work on their dwelling.<sup>160</sup> This is work involved in the construction of, alteration of, repairs or additions to the dwelling, where the reasonable market cost of the works (labour and material) exceeds \$5,000 (including GST) and the work requires development consent.<sup>161</sup>

The permit allows homeowners to undertake building work around their home without having a Home Building Licence under the *Home Building Act 1989*.<sup>162</sup>

As at February 2013 (when our analysis was conducted), NSW Fair Trading charged \$159 for an Owner Builder Permit, which included a processing fee of \$61 (including GST).<sup>163</sup> With about 8,500 new Owner Builder Permits issued in 2011/12, this represents approximately \$1.4 million in annual licence revenue.

Under the *Home Building Act 1989* the Director-General may set the conditions under which an Owner Builder Permit will be granted.<sup>164</sup> The Director-General has issued directions that if the value of the proposed work is over \$12,000 (including GST), the applicant is required to complete an approved owner-builder course, or to satisfy equivalent qualifications as approved by the Director General, before being granted an Owner Builder Permit.<sup>165</sup> The current training requirement comprises 2 parts: a White Card course, which costs \$58 (including GST)<sup>166</sup>; and the owner-builder course, which has a course fee of approximately \$188 (including GST)<sup>167</sup> and takes around one week to complete.

<sup>160</sup> A dwelling includes eg, a house, terrace, townhouse, strata title home unit, or a swimming pool or spa constructed for use in conjunction with a dwelling, or certain other additional structures and improvements that form part of a dwelling. *Home Building Act 1989* (NSW), sub-section 12, 13, Home Building Regulation 2004 (NSW), clause 20.

<sup>161</sup> NSW Fair Trading (2013), *Becoming an owner-builder*, [http://www.fairtrading.nsw.gov.au/ftw/Tenants\\_and\\_home\\_owners/Home\\_building\\_and\\_renovating/Becoming\\_an\\_owner\\_builder.page](http://www.fairtrading.nsw.gov.au/ftw/Tenants_and_home_owners/Home_building_and_renovating/Becoming_an_owner_builder.page), accessed 26 June 2013.

<sup>162</sup> NSW Fair Trading (2012), *Reform of the Home Building Act 1989 Issues Paper*, [http://www.fairtrading.nsw.gov.au/pdfs/About\\_us/Home\\_building\\_issues\\_paper\\_2012.pdf](http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_issues_paper_2012.pdf), accessed 26 June 2013.

<sup>163</sup> NSW Fair Trading (2012), *Home Building Fees*, [http://www.fairtrading.nsw.gov.au/About\\_us/Our\\_services/Fees/Home\\_building\\_fees.html](http://www.fairtrading.nsw.gov.au/About_us/Our_services/Fees/Home_building_fees.html), accessed 26 February 2013.

<sup>164</sup> *Home Building Act 1989*, section 36.

<sup>165</sup> NSW Fair Trading (2012), *Owner-builder education*, [http://www.fairtrading.nsw.gov.au/About\\_us/How\\_Fair\\_Trading\\_works/Protection\\_schemes\\_and\\_systems/Owner\\_builder\\_education.html](http://www.fairtrading.nsw.gov.au/About_us/How_Fair_Trading_works/Protection_schemes_and_systems/Owner_builder_education.html), accessed 26 February 2013.

<sup>166</sup> ABE Education NSW (2012), *Course Costs*, <http://abeeducation.com.au/costandinfo.html>, accessed 26 February 2013.

<sup>167</sup> ABE Education (2013), *91509 NSW Owner-builder Course Purchase*, <http://ownitbuildit.com.au/EwayNSW.htm>, accessed 26 February 2013.

A new standardised Owner Builder Permit course was introduced in 2010, in response to a number of deaths (at least 5) on owner-builder worksites between 2006 and 2009. Investigations by NSW Fair Trading and WorkCover found that some owner-builders were not fulfilling all of their legal responsibilities.<sup>168</sup>

The owner-builder course aims to prepare people who are not trained for the range of legal responsibilities, including workplace safety and the construction process in accordance with approved council plans. It comprises the following five components:<sup>169</sup>

- ▼ Preparing to be an owner-builder.
- ▼ Occupational Health and Safety.
- ▼ Drawing, Estimating and Cash Flow.
- ▼ Managing contracts.
- ▼ Managing the work.

Under the *Home Building Act 1989*, an owner-builder cannot enter into a contract for sale of a property within 6 years of completion of owner-builder work valued at above \$20,000 (including GST) without obtaining insurance covering the work and attaching the certificate of insurance to the contract of sale.<sup>170</sup> This threshold was raised in February 2012 from \$12,000 to \$20,000 through amendments to the *Home Building Regulation 2004*.<sup>171</sup>

Owner-builders are also subject to the same statutory warranties as Home Building Licence holders under the *Home Building Act 1989*.<sup>172</sup>

<sup>168</sup> NSW Fair Trading, *Reform of the Home Building Act 1989 - Issues Paper*, July 2012, p 31.

<sup>169</sup> NSW Fair Trading (2012), *Owner-builder approved education course*, [http://www.fairtrading.nsw.gov.au/Tenants\\_and\\_home\\_owners/Home\\_building\\_and\\_renovating/Becoming\\_an\\_owner\\_builder/Owner\\_builder\\_approved\\_education\\_course.html](http://www.fairtrading.nsw.gov.au/Tenants_and_home_owners/Home_building_and_renovating/Becoming_an_owner_builder/Owner_builder_approved_education_course.html), accessed 14 March 2013.

<sup>170</sup> *Home Building Act 1989* (NSW), section 96, *Home Building Regulation 2004* (NSW), clause 70.

<sup>171</sup> *Home Building Act 1989* (NSW), section 92, *Home Building Regulation 2004* (NSW), *Home Building Amendment Act 2011* (NSW), schedule 3(12). Australian Owner-builder Insurance Services (2011), *Owner-builder Warranty NSW*, [http://www.aobis.com.au/index.php?option=com\\_content&view=article&id=21&Itemid=91](http://www.aobis.com.au/index.php?option=com_content&view=article&id=21&Itemid=91), accessed 27 February 2013; NSW Government (undated), *Home Warranty Insurance Fund*, <https://homewarranty.nsw.gov.au/portal/server.pt/community/d%3Bowner-builders/258>, accessed 14 March 2013. When an owner-builder contracts a licensed contractor (builder, tradesperson or project manager) to undertake residential building work of over \$20,000 in value, the contractor must obtain Home Warranty Insurance for that work. NSW Fair Trading (2013), *Becoming an owner-builder*, [http://www.fairtrading.nsw.gov.au/ftw/Tenants\\_and\\_home\\_owners/Home\\_building\\_and\\_renovating/Becoming\\_an\\_owner\\_builder.page](http://www.fairtrading.nsw.gov.au/ftw/Tenants_and_home_owners/Home_building_and_renovating/Becoming_an_owner_builder.page), accessed 8 July 2013.

<sup>172</sup> *Home Building Act 1989* (NSW), Part 2C – Statutory warranties.



### Recommendation

- 11 The NSW Government should, by the end of 2015, initially raise the value threshold for requiring an Owner Builder Permit (administered by NSW Fair Trading) to \$10,000. The NSW Government should then raise the value of this threshold and the threshold for compulsory owner-builder training to \$20,000 after 3 years. The thresholds should be indexed at least once every 5 years.

### Rationale for reform

This licence has been identified as an area for reform due to the large number of permits issued. The licence also has a near median policy score. The areas that most strongly contribute to the policy score are the potential to reform administration and the rationale of the licence.

In addition, the threshold for requiring an Owner Builder Permit in NSW is lower than in other jurisdictions (see Table 5.7). Furthermore, as for the Home Building Licence, if the licence's exemption threshold is not indexed, the value threshold will decline in real terms and the coverage of the licence will increase over time.

**Table 5.7 Value of works when an Owner Builder Permit is required (March 2013)**

Jurisdiction	Value of works above which permit is required
New South Wales	\$5,000
Victoria <sup>a</sup>	\$12,000
Queensland <sup>b</sup>	\$11,000
Western Australia <sup>c</sup>	\$20,000
Tasmania <sup>d</sup>	\$5,000
Northern Territory <sup>e</sup>	\$12,000

<sup>a</sup> Victorian Building Commission (2014), *Owner-Builder Application Kit*, [http://www.buildingcommission.com.au/\\_data/assets/pdf\\_file/0009/12312/VBA\\_Owner\\_Builder\\_Jan\\_2014\\_WEB.PDF](http://www.buildingcommission.com.au/_data/assets/pdf_file/0009/12312/VBA_Owner_Builder_Jan_2014_WEB.PDF), accessed 17 March 2014.

<sup>b</sup> Queensland Building and Construction Commission (undated) *Owner building*, <http://www.qbcc.qld.gov.au/Homeowners/Owner-builders/Pages/what-is-owner-building.aspx>, accessed 17 March 2014.

<sup>c</sup> Western Australia Building Commission (2014) *Owner-Builders*, <http://www.buildingcommission.wa.gov.au/consumers/owner-builders>, accessed 26 February 2013.

<sup>d</sup> Tasmanian Government (2009) *Owner Builder Kit*, [http://www.latrobe.tas.gov.au/webdata/resources/files/Owner\\_Builder\\_Guideline\\_kit\\_Feb\\_2009.pdf](http://www.latrobe.tas.gov.au/webdata/resources/files/Owner_Builder_Guideline_kit_Feb_2009.pdf), accessed 17 March 2014.

<sup>e</sup> Northern Territory Government, Department of Planning and Infrastructure (2007) *Northern Territory Owner-Builder Manual*, [http://www.abpnt.com.au/assets/forms/factsheets/owner\\_builder\\_manual.pdf](http://www.abpnt.com.au/assets/forms/factsheets/owner_builder_manual.pdf), accessed 21 May 2013.

In 2012, the NSW Government commenced a review of the NSW *Home Building Act 1989*, which governs both the Home Building Licence and Owner Builder Permit, associated insurance requirements and the powers of the Director-General to set requirements to obtain a licence or permit.<sup>173</sup> NSW Fair Trading released a Position Paper in September 2013 setting out 50 proposed reforms to the *Home Building Act 1989*.<sup>174</sup>

NSW Fair Trading has indicated that the threshold for requiring completion of the Owner Builder Permit course was set at \$12,000 when it was introduced in 2010 as, at the time, this was same value at which home warranty insurance was required. However, now that the threshold for requiring home warranty insurance has been increased to \$20,000, NSW Fair Trading comment that it is reasonable to similarly raise the threshold for requiring completion of the Owner Builder Permit course.<sup>175</sup> In the Position Paper, NSW Fair Trading recognise that the time and cost required to complete the course is disproportionate to the risks associated with works under \$20,000.<sup>176</sup>

We propose to amend the threshold to \$20,000 in line with the amended threshold for requiring home warranty insurance on sale, and in line with other Australian jurisdictions (ie, Western Australia). Alignment of the thresholds for the permit, training and insurance will simplify the operation of owner-builder regulation.

In submissions received in response to our Draft Report, the Housing Industry Association and Master Builders Association of NSW<sup>177</sup> consider that increasing the threshold may diminish consumer protections.

As for the Home Building Licence, we consider that the consumer guarantees under the Australian Consumer Law and amendments to the statutory warranties provided by the *Home Building Act 1989* (NSW) should also be considered to ensure that subsequent owners are provided with adequate consumer protections.

The *Draft Home Building Regulation*, recently consulted on by NSW Fair Trading, also calls for an increase to the threshold for the Owner Builder Permit, although to \$10,000 only. We consider that increasing the value of the current threshold should reduce the regulatory costs and red tape burden for business and home owners for building work in NSW, without detriment to the Government's standards.

<sup>173</sup> NSW Fair Trading (2013), *Review of home building legislation*, [http://www.fairtrading.nsw.gov.au/About\\_us/Have\\_your\\_say/Review\\_of\\_home\\_building\\_legislation.html](http://www.fairtrading.nsw.gov.au/About_us/Have_your_say/Review_of_home_building_legislation.html), accessed 17 October 2013.

<sup>174</sup> Ibid.

<sup>175</sup> NSW Fair Trading, *Home Building Issues Paper*, July 2012, p 33.

<sup>176</sup> NSW Fair Trading, *Review of the Home Building Act 1989 Position Paper*, September 2013, p 16.

<sup>177</sup> Housing Industry Association - Rooke, L., submission to IPART, 4 July 2014, Master Builders Association of NSW - Meredith, P., submission to IPART, 3 July 2014.

Whilst we support NSW Fair Trading's proposal to increase the threshold to \$10,000, we also maintain our recommendation that NSW Fair Trading should then raise the value of this threshold and the threshold for compulsory owner-building training to \$20,000 after 3 years.

Our assessment of the impact of raising the value for thresholds for requiring an Owner Builder Permit and the threshold for compulsory owner-building training to \$20,000 is outlined below.

This licence should also be assessed using the Licensing Framework to review the rationale for the Owner Builder Permit, whether the Owner Builder Permit is the most appropriate way to achieve policy objectives and whether insurance obligations are appropriate and relevant.

### Impact of reform

#### Estimates of net benefits

Our estimates of the economic costs and benefits of the proposed reform to raise the Owner Builder Permit value threshold and training threshold to \$20,000 (in 2012, real dollars) are as follows:

Benefits	Costs
<p>Total of \$900,000, comprising:</p> <ul style="list-style-type: none"> <li>▼ Administrative time saved for owner-builders undertaking work valued between \$5,000 and \$20,000 (savings of \$40,000 per year) through no longer making a permit application</li> <li>▼ Reduced training costs for owner-builders undertaking work valued between \$12,000 and \$20,000 (savings of \$380,000 per year in time and \$150,000 per year in course fees) due to increase in training threshold</li> <li>▼ Fee savings for owner-builders undertaking work valued between \$5,000 and \$20,000 (savings of \$330,000 per year)</li> </ul>	<ul style="list-style-type: none"> <li>▼ Continued compliance and enforcement costs no longer recovered from fees from owner-builders undertaking work valued between \$5,000 and \$20,000 (savings of \$210,000 per year)</li> <li>▼ Potential increase in safety risk due to reduced training and compliance monitoring</li> <li>▼ Potential increased risk of defects</li> </ul>

**Note:** Totals may not sum due to rounding.

We estimate that the potential net benefit of the reforms is approximately \$690,000 per year.

In this assessment, it has not been possible with the data available to estimate the costs and benefits of the reform. This includes the costs associated with the potential increase in safety risk (ie, to owner-builders and visitors to owner-builder sites) or the risk of defects (ie, that may affect subsequent owners, where owner-builder works were valued between \$5,000 and \$20,000, who would have previously been protected by the statutory warranties of the *Home Building Act 1989*).

These risks and ways to mitigate or manage them should be considered by NSW Fair Trading.

Factors that may mitigate a potential increase in safety risks arising from increasing the course threshold from \$12,000 to \$20,000 include that:

- ▼ even if not required by legislation, inexperienced owner-builders may choose to undertake the course to reduce risks to themselves and others on the worksite
- ▼ regardless of the requirement to undertake the course, owner-builders are required to abide by NSW laws on work health and safety, and employ licensed contractors for tasks such as electrical works and plumbing works (as required under the *Home Building Act 1994*)
- ▼ how unlicensed owner-builders conduct themselves in safety matters can still be monitored through complaints or reports from consumers or members of the community that are made to NSW Fair Trading.

In terms of defect risks, consumers may still have a remedy under the Australian Consumer Law (eg, for misleading or deceptive conduct), as well as under general law.<sup>178</sup> Other potential options to protect consumers potentially exposed by an increase in the value threshold from \$5,000 to \$20,000 include:

- ▼ Imposing a legal requirement on owner-builders to document and declare work prior to the sale of their home. For example, this requirement could apply to owner-builders who sell their home within 6 years of completion of the work that has a reasonable market cost of more than \$5,000.
- ▼ Amending legislation to ensure that the statutory warranties in the *Home Building Act 1989* apply to owner-builder work regardless of the reasonable market cost of the labour and materials involved in the work.

### **Estimates of reduction in regulatory burden**

As a result of the proposed reforms, owner-builders will be able to undertake minor refurbishments and upgrades without obtaining a permit. A \$20,000 permit threshold would align the insurance, training and permit thresholds and simplify the scheme.

<sup>178</sup> However, whether those remedies are available would depend upon whether they meet the relevant requirements of the Australian Consumer Law or general law (whichever they seek to rely on) and on the circumstances of the individual case.

Removing the requirement for owner-builders conducting work valued below \$20,000 to obtain a permit will save approximately \$330,000 in application fee payments per year, and approximately \$40,000 in time in making the application. They will also save approximately \$380,000 in time and \$150,000 in fees from not being required to undertake training. Owner-builders who are exempt from the permit will also benefit from reduced delays attributed to the time required to undertake training and the wait for the permit application to be processed.

### Estimates of budget implications

We expect that there will be minor budget impacts on the NSW Government from increasing the threshold when an Owner Builder Permit is required. Of the \$159 permit application fee, \$61 is allocated to processing. Assuming \$61 represents the efficient costs of application processing; reducing this portion of the fee is assessed to be budget neutral. As a result, NSW Fair Trading will receive \$98 less funding for each application no longer required, totalling approximately \$210,000 per year. If we assume that this \$210,000 relates to compliance and enforcement work that Fair Trading will still be required to carry out, this reduction in income will have a negative impact on the budget.

The assumptions and calculations used to estimate the net benefits, reduction in regulatory burden and budget implications of our specific recommendation are presented in Appendix K.

### 5.2.8 Registration of a heavy vehicle

Heavy vehicle owners are currently required to register their vehicle with RMS or under the Federal Interstate Registration Scheme to drive them on NSW roads. A heavy vehicle is defined as a motor vehicle or trailer that has a gross vehicle mass greater than 4.5 tonnes. Heavy vehicle charges are set nationally and are based on the principle that heavy vehicles pay their fair share of road spending.<sup>179</sup>

There were about 160,000 heavy vehicle registrations in force as at 30 June 2012. NSW Government revenue received for application, renewal and processing fees in 2011/12 totalled approximately \$264 million.<sup>180</sup>

<sup>179</sup> Transport for NSW, NSW Roads and Maritime Services (2012), *Registration*, <http://www.rta.nsw.gov.au/heavyvehicles/registration/index.html>, accessed 28 June 2013.

<sup>180</sup> RMS's revised survey response to IPART's licence survey, 20 June 2013.

### Potential for reform

The benefits of reform to this licence may be significant due to the large number of registrations issued, renewed and in force and the high revenue associated with the registration of heavy vehicles. Registration of heavy vehicles also has a policy score that is just above the median as it has short maximum licence duration and scope to target inspections and compliance requirements. The policy score also indicates that whilst the licence has been reviewed in the last 5 years, the review was not necessarily comprehensive and the review methods used could be improved.

### Current/planned reforms

In August 2011, the States, Territories and the Australian Government agreed through the Intergovernmental Agreement for Heavy Vehicle Regulatory Reform to establish the National Heavy Vehicle Regulator (NHVR).<sup>181</sup> The NHVR, for all heavy vehicles over 4.5 tonnes, commenced operations on 21 January 2013 and has taken over the management of the National Heavy Vehicle Accreditation Scheme. The NHVR is expected to evolve into a one-stop-shop for heavy vehicle road transport business with government across Australia, and will administer one set of national laws for heavy vehicles.<sup>182</sup>

The NHVR administers one set of laws for heavy vehicles under the Heavy Vehicle National Law (HVNL), to minimise the compliance burden on the heavy vehicle transport industry and reduce duplication and inconsistencies across state and territory borders.<sup>183</sup> For example, by enabling heavy vehicles to be operated under harmonised, national standards for heavy vehicle inspections and mutual interstate recognition arrangements.<sup>184</sup>

<sup>181</sup> National Heavy Vehicle Regulator (NHVR) (undated), *Heavy Vehicle Nation Law (HVNL)* <https://www.nhvr.gov.au/law-policies/heavy-vehicle-national-law-hvnl>, accessed 28 June 2013.

<sup>182</sup> National Transport Commission (2013), National Heavy Vehicle Regulator, <http://www.ntc.gov.au/viewpage.aspx?AreaId=34&DocumentId=1931>, accessed 28 June 2013.

<sup>183</sup> NHVR (undated), *Heavy Vehicle Nation Law (HVNL)* <https://www.nhvr.gov.au/law-policies/heavy-vehicle-national-law-hvnl>, accessed 28 June 2013.

<sup>184</sup> NHVR (undated), *What we do*, <https://www.nhvr.gov.au/about-us/what-we-do>, accessed 28 June 2013.

The HVNL means that in the majority of States and Territories, the NHVR will deliver a comprehensive range of services under a consistent regulatory framework.<sup>185</sup> In light of these current and planned national reforms to the regulation of heavy vehicles in Australia and as a system of national registration charging for heavy vehicles already exists,<sup>186</sup> we are not making a recommendation on the registration of heavy vehicles and have not conducted an impact analysis for this licence.

### 5.3 Licences in ‘Top 40’ identified by stakeholders for reform

This section presents our analysis of the ‘Top 40’ priority licences identified by stakeholders in submissions, other than those already considered above in our analysis of the ‘Top 10’ priority licences. These licences (ie, those which are not included in the ‘Top 10’ priority licence list), identified by stakeholders, are shaded in blue in Table 5.1.

#### 5.3.1 Working With Children Check

The Working With Children Check (WWCC) is a prerequisite for paid and unpaid child-related work. The following parties are required to complete a WWCC:

- ▼ people undertaking a child-related role (eg, an authorised carer, an approved provider or manager of an education and care service, a potential adoptive parent)
- ▼ people who have face-to-face contact with children and work in a child-related sector (eg, children’s health services, education, transport services for children).<sup>187</sup>

There were about 85,000 new WWCCs in the 2011/12 financial year. At the time the IPART licence survey was conducted, there was no fee to apply for a WWCC and as such, there was no government revenue associated with it for 2011/12.<sup>188</sup>

<sup>185</sup> NHVR (undated), *Who we are*, <https://www.nhvr.gov.au/about-us/who-we-are>, accessed 18 March 2014.

<sup>186</sup> Roads and Maritime (2013), *Registration*, <http://www.rms.nsw.gov.au/heavyvehicles/registration/index.html>, accessed 18 March 2014.

<sup>187</sup> Office of the Children’s Guardian (undated), *Who needs a Working with Children Check?*, <http://www.kids.nsw.gov.au/Working-with-children/New-Working-With-Children-Check/Who-needs-the-check>, accessed 8 July 2013.

<sup>188</sup> At the time of the licence survey this licence was administered by the Office of Communities, it is now administered by the NSW Department of Family and Community Services.

### Rationale for reform

Prior to June 2013, a WWCC was only valid for one position and a new WWCC had to be obtained for each new position.<sup>189</sup> The benefits of reform to the WWCC were likely to be significant due to the large number of registrations issued, renewed and in force. The results of the IPART licence survey conducted at the end of 2012 indicate that the WWCC also had an above median policy score, as there was scope for significant administrative improvement and change to duration.

In addition, a submission to IPART commented that the WWCC should be transferrable between workplaces.<sup>190</sup>

### Current/planned reforms

Following the passage of the *Child Protection (Working With Children Check) Act 2012*, an amended WWCC was introduced on 15 June 2013.<sup>191</sup> Under the new framework:

- ▼ workers and volunteers will apply for their own check once every 5 years
- ▼ employers will verify a child-related worker's or volunteer's WWCC number online
- ▼ the same WWCC will apply to everyone – paid workers, self-employed people and volunteers
- ▼ everyone with a clearance will be continuously monitored for NSW criminal and disciplinary records
- ▼ paid employees and self-employed applicants will be required to pay an \$80 fee<sup>192</sup> for the WWCC (for a 5-year clearance), but the WWCC remains free for volunteers.<sup>193</sup>

These reforms address the issues identified by IPART in determining the policy score and responses to the submission process.

<sup>189</sup> Office of the Children's Guardian (undated), *Fact Sheet: What's changed in the new Check?*, <http://www.kids.nsw.gov.au/Working-with-children/New-Working-With-Children-Check/Publications-and-resources>, accessed 9 July 2013.

<sup>190</sup> Jones, S. submission to IPART, 10 December 2012.

<sup>191</sup> Office of Communities, Commission for Children and Young People (undated), *New Working with Children Check*, <http://www.kids.nsw.gov.au/About-us/News/Minister-announces>, accessed 25 June 2013.

<sup>192</sup> Office of the Children's Guardian (undated), *New Working with Children Check*, <http://www.kids.nsw.gov.au/Working-with-children/New-Working-with-Children-Check>, accessed 9 July 2013.

<sup>193</sup> Office of the Children's Guardian (undated), *Fact Sheets: What's changed in the new Check? and Information for Employers*, <http://www.kids.nsw.gov.au/Working-with-children/New-Working-With-Children-Check/Publications-and-resources>, accessed 9 July 2013.



The burden on applicants for the WWCC will be significantly reduced, with applications required only once every 5 years, instead of on change in employment. As a further benefit, this will facilitate mobility in sectors where the WWCC is required.

The reduced administrative requirements associated with the 5-year terms for the new WWCC, plus the payment of a fee for the WWCCs that are conducted, are likely to result in cost savings for the NSW Government. However, the NSW Department of Family and Community Services has advised that the demand for checks, particularly volunteer checks which are free, has been much higher than anticipated.<sup>194</sup> This increase in the number of volunteer checks would reduce the overall administrative cost savings for the department.

Since the NSW Government has recently introduced the new WWCC, we are not making any specific recommendations in relation to this licence.

Once sufficient time has passed to allow an assessment of the operation of the new WWCC, we suggest a review of the reformed licence using the Licensing Framework to identify whether further improvements could be made.

### 5.3.2 Permit to acquire firearm

Before every proposed firearm purchase, a NSW firearms licence holder must obtain a permit to acquire firearm (PTA) from the NSW Police. To apply for a PTA, a purchaser must first request the PTA application form from NSW Police, who then mail it to them. An applicant for a PTA must have a current NSW firearms licence.

New South Wales is a party to the National Firearms Agreement 1996. Under the agreement, permits are required for every new firearm purchase, with a waiting period of at least 28 days.<sup>195</sup>

NSW Police issued about 63,000 PTAs in the 2011/12 financial year and received approximately \$1.4 million in total revenue.

<sup>194</sup> Comments to IPART received from the NSW Department of Family and Community Services on 10 October 2013.

<sup>195</sup> Philips et al (2007), *Firearms in Australia: a guide to electronic resources*, Parliamentary Library, [http://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/BN/0708/FirearmsAustralia](http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/BN/0708/FirearmsAustralia), accessed 27 February 2013.

### Potential for reform

The benefits of reform to this licence may be significant due to the large number of PTAs issued and high revenue associated with PTAs. The PTA also has an above median policy score as the PTA has not been reviewed in the last 5 years, fees are not set on a cost recovery basis and there is significant scope to improve administration.

Stakeholder responses to the *Have your say* survey also suggested reforms to the PTA, including:

- ▼ removing the requirement to request a PTA application form (making it readily available for download)
- ▼ providing for an online PTA application
- ▼ extending the period of validity of a PTA from 3 months.<sup>196</sup>

Similar application forms such as the Victorian Permit to Acquire are available to download without request,<sup>197</sup> and Queensland provides for online applications for a permit to acquire.<sup>198</sup>

Potential administrative reform options may include making the PTA application form available for download from the NSW Police website, and the NSW Police also providing a version of the PTA application form for online completion and submission.

### Current/planned reforms

The Ministry for Police and Emergency Services is reviewing the NSW Firearms Regulation to ensure it adheres to the NSW Government's better regulation principles and continues to protect public safety.<sup>199</sup> In light of this review, we are not making a specific recommendation on the permit to acquire firearms.

<sup>196</sup> Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>197</sup> Victoria Police (2012) *Acquiring, borrowing or loaning a firearm*, [http://www.police.vic.gov.au/content.asp?Document\\_ID=34328](http://www.police.vic.gov.au/content.asp?Document_ID=34328), accessed 27 February 2013.

<sup>198</sup> Queensland Police (2013) *Applying Online*, <http://www.police.qld.gov.au/programs/weaponsLicensing/fees/faqs/applyingOnlineFaqs.htm>, accessed 26 February 2013.

<sup>199</sup> Ministry for Police and Emergency Services (2012) *Labor's firearms regulations to be reviewed*, <http://www.mpes.nsw.gov.au/news.php/748.html>, accessed 14 March 2013.

### 5.3.3 Property occupation licences

The work of a property agent involves transactions relating to the sale, purchase, exchange, or leasing of real property. A majority of this work relates to the sale of residential property, while property management and sale of non-residential property is also significant.

On 30 June 2012, there were over 55,000 registrations and licences in force in NSW relating to nine roles in the property industry.

Type of property occupation licence	New in 2011/12	Renewed in 2011/12	In force on 30 June 2012
Business Agent	249	2,244	2,395
Certificate of Registration as a Business Salesperson	358	3,136	3,476
Certificate of Registration as a Real estate Salesperson	6,113	12,207	18,985
Certificate of Registration as a Registered Manager	610	5,479	3,839
Certificate of Registration as a Stock and Station Salesperson	408	3,242	3,616
On-site Residential Property Manager	16	101	107
Real Estate Agent	2,822	14,444	17,446
Stock and Station Agent	280	2,641	2,796
Strata Managing Agent	240	1,429	1,533

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

### Rationale for reform and current/planned reforms

Reform of these licences has been targeted by COAG. Selected NSW licence holders, including all nine property occupations above, were previously being considered as part of the national occupational licensing system (NOLS) that was, until recently, being undertaken by the National Occupational Licensing Authority (NOLA).<sup>200</sup> However, in December 2013, COAG announced that the NOLA would be disbanded and that the states and territories will now work with the Council for the Australian Federation to develop alternative options to national licensing, such as mutual recognition arrangements.<sup>201</sup>

<sup>200</sup> NSW Fair Trading (2012) *National Reforms to consumer laws*, [http://www.fairtrading.nsw.gov.au/ftw/About\\_us/Legislation/National\\_reforms\\_to\\_consumer\\_laws.page](http://www.fairtrading.nsw.gov.au/ftw/About_us/Legislation/National_reforms_to_consumer_laws.page), accessed 28 February 2013.

<sup>201</sup> National Occupational Licensing Authority (NOLA) (2013), *NOLA*, <http://nola.gov.au/>, accessed 23 December 2013.

Under NOLS, a set of nationally uniform licence categories for property occupations were proposed. We support these proposed changes for property occupation licences which included:

- ▼ removing licensing of non-residential property work
- ▼ removing mandatory continuing professional development for all licences and certificates of registration
- ▼ increasing initial education requirements for certificate of registration for agent's representative
- ▼ moving to a 3-year licence period for all licences and certificates.<sup>202</sup>

Reforms proposed under NOLS were related to issues highlighted in submissions to IPART. Some submissions voiced concern over the reduction in requirements for educational qualifications and other pre-requisites for property occupations and consequences of deregulating non-residential property transactions.<sup>203</sup> Other submissions, however, reiterated the scale of regulatory burden that is currently imposed on the industry.<sup>204</sup>

Estimates of the impacts of the proposed reforms are outlined below. Given these proposed reforms and the recent disbanding of NOLA, we have not made a recommendation in this area.

### Impact of reform

#### Estimates of net benefits

COAG estimated the potential costs and benefits (specific to NSW) of the proposed reforms for all NSW licences and certificates of registration in the property occupations. A summary of these costs and benefits (adjusted to 2012 dollar figure estimates) are shown below<sup>205</sup>:

<sup>202</sup> COAG National Licensing Steering Committee (undated), *Property Occupations: Fact Sheet 4*, <http://nola.gov.au/resources>, accessed 28 February 2013.

<sup>203</sup> Real Estate Institute of NSW submission to IPART, 14 December 2012.

<sup>204</sup> Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>205</sup> COAG National Licensing Steering Committee, *Consultation – Regulation Impact Statement – Proposal for national licensing for property occupations*, 13 August 2012.

Benefits	Costs
<p>Total of \$29 million, comprising:</p> <ul style="list-style-type: none"> <li>▼ Reduced time and fees associated with annual mandatory training courses (\$26 million per year).</li> <li>▼ Reduced fees for government associated with processing of licences (\$2.5 million per year).</li> <li>▼ Reduced qualification requirements for auctioneers (\$0.3 million per year).</li> </ul>	<p>Total of \$5 million, comprising:</p> <ul style="list-style-type: none"> <li>▼ Time required for licensees to understand reforms (\$1.6 million per year).</li> <li>▼ Impact on government to set up and implement reforms (\$1.2 million per year).</li> <li>▼ Increased qualification requirements for agent representatives (\$1.8 million per year).</li> </ul>

The net benefits of reforming licensing arrangements for property occupations covered by the national licensing scheme are estimated to be \$24 million per year.

### Estimates of reduction in regulatory burden

Licensees would benefit from the reforms through improved labour mobility and potentially a reduction in the number of licences held across jurisdictions. COAG has estimated the total impact on licensees in NSW would be \$28 million per year.<sup>206</sup>

An assessment of the potential risks associated with property work and the proposed changes in the licensing arrangements finds the impact on consumer protection would be low. Several changes are administrative in nature and do not alter the coverage of licensing across the industry.<sup>207</sup>

### Estimates of budget implications

The budget impacts of reforms to the property industry may not be readily identified separately from overall implementation costs identified by COAG, as these costs are not wholly attributable to licensing reforms in the property industry.<sup>208</sup>

The NSW Government could be faced with costs to set up and implement the reforms previously proposed under NOLS. Revenue from licence fees may decline if fees for the proposed 3-year renewal do not equal three times the non-processing component of the current annual renewal fee.

<sup>206</sup> Ibid.

<sup>207</sup> Ibid.

<sup>208</sup> The costs to government of establishing the licensing authority were to be apportioned to each occupation under national licensing. COAG National Licensing Steering Committee, *National Licensing System for Specified Occupations, Decision Regulation Impact Statement*, April 2009.

### 5.3.4 Permit to conduct a lottery – Trade Promotion

In NSW, the conduct of trade promotion lotteries<sup>209</sup> is regulated under the *Lotteries and Art Unions Act 1901* (Lotteries Act) and the *Lotteries and Art Unions Regulation 2014* (Lotteries Regulation).<sup>210</sup> The Lotteries Act requires that any person or organisation that conducts a trade promotion lottery must obtain a permit.<sup>211</sup>

The principal objective of the legislation is to ensure that on balance, the State and community as a whole benefits from certain lottery activities. In particular, ensuring the integrity and fairness and minimising the potential harm from lottery activities.

Office of Liquor, Gaming and Racing (OLGR) is responsible for approving trade lotteries and games of chance. The ACCC and NSW Fair Trading jointly administer and enforce the Australian Consumer Law which also covers aspects of trade lotteries and games of chance.<sup>212</sup> The Australian Consumer Law prohibits misleading or deceptive conduct. In addition, it is an offence for a business to offer a prize in connection with the promotion of a product where the business has no intention of providing the prize.

OLGR issues trade promotion lottery permits for 12 months. To obtain a trade promotion lottery permit, the applicant must provide:

- ▼ details about entering the promotion
- ▼ a copy of the rules
- ▼ any sample entry form, tickets or advertising material
- ▼ certain prizes require additional information.

Fees are imposed, with discounts applying to applications lodged via the Government Licensing Service internet portal.

The number of permits issued in 2011/12 was 11,942 and the total licence revenue collected during 2011/12 financial year for trade promotion permits in NSW was \$895,650 (see Table 5.1).

<sup>209</sup> Trade promotion lotteries are generally run by commercial operations as a means of promoting their product or service, to increase revenue from the sale of those products or services. For example, the purchase of a product puts the purchaser in the draw to win a prize – and possibly the more of the product purchased the more entries into the draw. The operators of trade promotion lotteries can get commercial gain, possibly substantial from these lotteries (NSW Trade & Investment, Office of Liquor, Gaming and Racing, *Regulatory Impact Statement – Lotteries and Art Unions Regulation 2014*).

<sup>210</sup> We note that OLGR has recently completed a review of the *Lotteries and Art Unions Regulation 2007* under the *Subordinate Legislation Act 1989*. This review only updated the regulation rather than making significant legislative changes.

<sup>211</sup> *Lotteries and Art Unions Act 1901* (NSW), section 4B.

<sup>212</sup> Australian Government, *The Australian Consumer Law an introduction*, November 2010, p 18.

OLGR estimates that completing the application takes about 10 to 15 minutes. The time taken to collate the information required for a trade promotion lottery application depends on the complexity of the application, the value of prizes and the promoter's experience. Information gathering could take an additional hour. OLGR estimates the total cost to industry of trade promotion lottery applications per year is around \$609,600. It also indicated that the economic benefit to commercial organisations from the operation of trade promotion lotteries cannot be estimated.<sup>213</sup>

### Issues raised in submissions

The NSW Business Chamber recommends that the Government remove permit requirements for trade promotion lotteries with prizes worth less than \$5,000. In NSW a business must apply to the OLGR for a trade promotion licence. However, it notes that other States are less strict: Queensland, Western Australia and Tasmania do not require permits; and Victoria, South Australia and the Northern Territory do not require permits where prizes are worth less than \$5,000.<sup>214</sup>

The Chamber estimates that the annual cost to business, which includes annual fees, delays in commencement of competitions and time to complete application forms to be around \$3 million per year. It also suggests that there does not appear to be evidence of significant harm caused by trade promotion lotteries in NSW, nor does there appear to be any evidence of greater problems with trade promotion lotteries in other states. This is, despite their less onerous regulatory requirements.

The NSW Business Chamber states that businesses have an incentive to conduct lotteries fairly and maintain trust with their customers and they have little to gain from abusing the lottery process. Where a business does choose to abuse the process, it is unclear how they would be stopped by a permit requirement as they could either breach the licence terms or not apply for a licence at all. It argues that a rules based regime would be as effective as permits.<sup>215</sup>

In response to our Draft Report, NSW Trade and Investment supports our recommendation that the Permit to conduct a lottery – trade promotion – single promotion should, as one of the priority licences, be reviewed using our Licensing Framework and Guide. NSW Trade and Investment states that OLGR will commence a review by the end of 2014 using the IPART Licencing Framework.<sup>216</sup> In conducting this review, OLGR will take into consideration the matters raised by the NSW Business Chamber.

<sup>213</sup> OLGR, *Regulatory Impact Statement – Lotteries and Art Unions Regulation 2014*, May 2014, p 47.

<sup>214</sup> NSW Business Chamber submission to IPART, July 2014, pp 2-3.

<sup>215</sup> Ibid.

<sup>216</sup> NSW Trade and Investment submission to IPART, June 2014, p 2.

### IPART analysis

We assessed the trade promotion lotteries permits as part of our survey questionnaire analysis of ‘significant’ licences. It ranked 21 among the ‘Top 40’ licences in terms of reform priorities for NSW Government departments and agencies. Its total policy score (0.46) was above the median, indicating greater scope for reform. Suggested areas of improvement based on the policy score include conditions, review process and fee setting (see Appendix I).

We note the NSW Business Chamber’s arguments for a \$5,000 threshold that is consistent with the approach of Victoria, South Australia and Northern Territory. If a threshold was to be introduced, we would need to conduct a detailed analysis of the potential costs and benefits of a threshold on the integrity and fairness of trade promotion lotteries.

However, given the commitment by OLGR to conduct a review using our Licensing Framework and specifically to consider the case for imposing a \$5,000 threshold for trade promotion licences, we are not making a specific recommendation to introduce a threshold.

#### 5.3.5 Environment Protection Licence

The Environment Protection Authority (EPA) issues Environment Protection Licences (EPL) to owners and operators of premises that conduct:

- ▼ any of the 45 activities listed in Schedule 1 of the NSW *Protection of the Environment Operations Act 1997* (POEO Act), such as agricultural processing, chemical production, electricity generation and sewage treatment
- ▼ activities not listed in Schedule 1, but which may cause water pollution.

EPLs contain conditions concerning air, water, noise and land pollution prevention and monitoring, such as pollution limits, rules concerning operation of the facility and reporting requirements.<sup>217</sup>

The EPA issued 120 new EPLs in 2011/12, resulting in about 2,400 licences being in force as at 30 June 2012. The EPA collected \$16.7 million in licence revenue for the 2011/12 financial year.

#### Rationale for reform

This licence has been identified as an area for reform due to the moderate number of licences in force and the high revenue associated with them.

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<sup>217</sup> *Protection of the Environment Operations Act 1997* (NSW), section 45.



A number of submissions suggested reforms to EPLs,<sup>218</sup> commenting that:

- ▼ the requirement to publish monitoring data from a site is onerous and of no community benefit
- ▼ load based fees exceed the costs of the administering agency and are discriminatory in that they only apply to licensed premises
- ▼ the operation of the EPL system should be reviewed, including:
  - the types of licences
  - the risk they pose
  - who regulates the activities, and
  - that corporate licences should be adopted with all sites under one licence.

### Current/planned reforms

In 2011, the NSW Government introduced legislative amendments to the POEO Act whereby licensees, who were already required to undertake monitoring of pollution levels under a licence condition, must now publish or make available pollution monitoring data to members of the public upon request. While the EPL defines each licensee's data monitoring requirements, including providing the data to the EPA, the POEO Act imposes public reporting requirements.

The licence holder must make the data available within 14 days of obtaining the monitoring results if they have a website, or within 14 days of receiving a request for a copy of the monitoring results from a member of the public if they do not.<sup>219</sup> Under section 66 of the POEO Act, the EPA is required to set the form of the reporting, with the EPA releasing a document setting those requirements in March 2012.

In 2013, the EPA undertook a review of the requirements for publishing pollution monitoring data 12 months after they were introduced. The review included a call for public submissions and comments on the existing requirements as well as an audit of compliance with the legislation. The EPA considered all comments received during the review and audit findings. It made a number of changes to clarify and simplify the requirements as well as reduce the burden on licensees, including:

- ▼ allowing pdf file formats for the published data and a 'live' feed of continuous emission monitoring data in addition to meaningful summaries
- ▼ extending the timeframes for publishing obtained data

<sup>218</sup> Australian Sustainable Business Group submission to IPART, December 2012; Caltex submission to IPART, December 2012, NSW Business Chamber submission to IPART, December 2012.

<sup>219</sup> Environment Protection Authority (2012) *Requirements for publishing pollution monitoring data*, <http://www.environment.nsw.gov.au/resources/legislation/20120263reqpubpmdata.pdf>, accessed 25 February 2013.

- ▼ rationalising the number of applicable dates that are required to be published with each set of pollution monitoring data
- ▼ removing the requirement to publish ambient monitoring data and data collected from pollution reduction programs.<sup>220</sup>

In September 2013, following an EPA review of the POEO Act, the EPA released a draft risk-based licensing framework for public consultation. The proposed reforms would require a risk assessment of each licensed facility to determine site specific risks and to identify any environmental issues a licensee would need to address. The risk assessment would also identify where the EPA needs to focus its regulatory attention.<sup>221</sup>

Since 2013, the EPA has achieved significant progress towards implementing the risk-based licensing framework. The EPA has recently reviewed the legislation governing a number of EPA licence types identified by IPART in this report and amendments have been made to improve licence design and administration, including requirements for compliance.<sup>222</sup>

In particular, the legislative amendments to the Protection of the Environment Operations (General) Regulation 2009 enabled EPA to change the current licence administrative fee structure and include consideration of a licensee's environmental management performance as part of calculating licence fees. The legislative amendment commenced on 2 May 2014 allows the EPA to implement a risk based system for environment protection licences.

From July 2014, the EPA will progressively undertake risk assessments for each environment protection licence holder. The risk based licensing system will formally commence in July 2015 with the new licence fees applying from July 2016.<sup>223</sup>

Taking into account the EPA's recent reviews of its licensing framework and reporting requirements – which were identified as significant areas of concern in stakeholder submissions to our review – we are not making any specific recommendations in relation to EPLs. However, as outlined above, we recommended that all of the 'Top 40' licences (including the Environment Protection Licence) be reviewed by their relevant agencies (in this case, the EPA), using the Licensing Framework. This review should consider the stakeholder concerns/issues noted above.

<sup>220</sup> Environment Protection Authority (2014), *Publishing and providing pollution monitoring data*, <http://www.epa.nsw.gov.au/licensing/pubmonitdata.htm>, accessed 18 March 2014.

<sup>221</sup> Environment Protection Authority, (2013), *EPA opens draft risk-based licensing framework for public consultation*, at <http://www.epa.nsw.gov.au/epamedia/EPAMedia13091001.htm>, accessed 17 October 2013.

<sup>222</sup> Environment Protection Authority, submission to IPART, 11 July 2014.

<sup>223</sup> Ibid.

We have identified a number of licences that have been subject to review during the course of our investigation or will be subject to review in the near future (see sections 5.1.3, 5.2.3, 5.3.1 – 5.3.5, 6.1.10 – 6.1.12 and 6.1.14).

#### Finding

10 A number of significant licence types administered by the NSW Government have been subject to review during the course of our investigation or will be subject to review in the near future. Some of these licences include:

- the taxi vehicle licence
- firearms licences, as part of a review of the legislation governing firearms and permits to acquire firearms
- licences and certificates of registration for property occupations
- Environment Protection Licences.

#### 5.3.6 Food business notification and food safety supervisors

The food business notification and Food Safety Supervisor (FSS) are administered by the NSW Food Authority.

##### Food business notification

Most businesses that sell food in NSW must either:

- ▼ hold a current NSW Food Authority licence, or
- ▼ notify the Authority of their food activity details.

Food business notification is required by a national food law.<sup>224</sup>

The food business notification requirement applies to almost all food businesses and includes those involved in temporary events and businesses that sell any sort of food or food ingredient. Not-for-profit fundraising events are not required to notify.<sup>225</sup>

Food businesses can submit a notification either online or via a paper form directly to the Authority.

Notification of food businesses allows the Authority to maintain a relationship with all food businesses. For example, it means the Authority can keep food businesses updated on changes to food legislation.

<sup>224</sup> Food Safety Standard 3.2.2.

<sup>225</sup> NSW Food Authority (2012), *Food business notification*, <http://www.foodauthority.nsw.gov.au/industry/food-standards-and-requirements/business-notification/>, accessed 15 July 2013.

The results of our licence survey of NSW Government agencies indicate that there were about 74,000 food business notifications 'in force' in NSW on 30 June 2012. There were about 13,000 new notifications issued during the financial year 2011/12. The total licence revenue collected during this time was about \$1,115.<sup>226</sup>

### Food safety supervisors

Certain food businesses in the hospitality and retail food service sector are required to appoint at least one FSS. At the time of the IPART licence survey, food businesses were also required to provide notification of their FSS to the relevant enforcement agency (usually the local council).<sup>227</sup>

A FSS must have an FSS certificate that is no more than 5 years old from an approved Registered Training Organisation and must have the authority to supervise other people handling food to ensure the handling is done safely.

The FSS requirement applies to businesses processing and selling food at the retail level, ie:

- ▼ ready-to-eat, and
- ▼ potentially hazardous (ie, requires temperature control), and
- ▼ not sold and served in the supplier's original package.

These businesses include:<sup>228</sup>

- ▼ restaurants
- ▼ cafes
- ▼ takeaway shops
- ▼ caterers and mobile caterers
- ▼ bakeries
- ▼ pubs
- ▼ clubs
- ▼ hotels
- ▼ supermarkets that sell hot food (eg, hot chicken)
- ▼ mobile food vendors that operate in one location.

<sup>226</sup> Licence revenue appears relatively low as online notifications do not incur a fee.

<sup>227</sup> NSW Food Authority (undated), *Guideline to Food Safety Supervisor Requirements*, [http://www.foodauthority.nsw.gov.au/\\_Documents/industry\\_pdf/fss\\_guidelines.pdf](http://www.foodauthority.nsw.gov.au/_Documents/industry_pdf/fss_guidelines.pdf), accessed April 2013.

<sup>228</sup> Ibid.

Businesses need to appoint at least one FSS per premises. Businesses with several premises cannot use the same FSS for each premise. Prior to January 2014, notification of the name, FSS certificate number and contact details of an FSS was a mandatory requirement for business owners.<sup>229</sup>

The results of our licence survey of NSW Government agencies indicate that there were about 10,000 FSS notifications 'in force' in NSW on 30 June 2012. No licence revenue is collected for this licence type.

### Issues raised in submissions

The NSW Business Chamber commented that the FSS arrangements were introduced in 2011 despite high compliance levels with food licences. It questions the benefit of the stringent monitoring regime for food businesses, given the high compliance rates, and suggests that long term compliance should be rewarded.<sup>230</sup>

Stakeholders have also expressed concern that there can be some duplication in having to notify both their local councils and the Food Authority of their FSS's name and other details.

### IPART analysis

The Food Authority's regulatory regime, including its notification and monitoring regime, are considered in our concurrent red tape review of Local Government Compliance and Enforcement.

Through this Local Government red tape review, we know the Food Authority conducted a series of internal reviews of its regulatory arrangements in 2013.

This is also reflected in the Food Authority's input to this licensing review where it recognised that food business notification could be improved by including it in general business registration processes, and that there was also scope to simplify its application processes and improve its online interface.<sup>231</sup>

<sup>229</sup> NSW Food Authority (2014), *Notifying FSS details*, <http://www.foodauthority.nsw.gov.au/news/media-releases/mr-07-Jan-14-changes-to-FSS-law/#.VBopTdhO7cs>, accessed 18 September 2014.

<sup>230</sup> NSW Business Chamber submission to IPART, December 2012.

<sup>231</sup> NSW Food Authority submission to IPART, December 2012 and Pers Comm, NSW Food Authority to IPART, 15 March 2013.

At the public roundtable, the Food Authority also advised that it is reviewing its notification database and information sharing with local councils, to improve notification arrangements.<sup>232</sup>

We also assessed the food business notification and FSS as part of our survey questionnaire analysis of 'significant' licences. The total policy scores (0.43 and 0.45, respectively) were above the median, indicating scope for reform. Suggested areas of improvement based on the policy scores include:

- ▼ conditions, review and fee setting for the food business notification
- ▼ conditions, review, fee setting and administration for the FSS.

Our Draft Report for our Local Government red tape review recommended that: The NSW Food Authority should finalise its internal review and work with councils to implement its reforms within 18 months of its review being completed to:<sup>233</sup>

- ▼ remove any regulatory overlap (eg, of related retail and non-retail food business on the same premises)
- ▼ develop a single register of notification for all food businesses, or a suitable alternative, to avoid the need for businesses to notify both councils and the Food Authority
- ▼ review the notification system to determine whether negligible risk food businesses should be exempt from the requirement to notify
- ▼ ensure the introduction of the standard inspections template for use by all councils in NSW, to enhance the consistency of inspections across the State.

As part of this review, we recommended the requirement for food businesses to notify their relevant enforcement agency of the identity of their FSS(s) be removed.

#### Recommendation

**12** The NSW Government should remove the requirement for food businesses to provide notification of Food Safety Supervisors (administered by the NSW Food Authority).

In January 2014, the NSW Food Authority *removed the requirement* for food businesses *to provide notification of a FSS* following an internal review of this requirement.<sup>234</sup>

<sup>232</sup> Transcript, public roundtable discussion, 12 February 2013, pp 104-105.

<sup>233</sup> IPART, *Regulation Review - Local Government Compliance and Enforcement - Draft Report*, October 2013, Recommendation 25.

<sup>234</sup> NSW Food Authority (2014), *Notifying FSS details*, <http://www.foodauthority.nsw.gov.au/news/media-releases/mr-07-Jan-14-changes-to-FSS-law/#.VBopTdhO7cs>, accessed 18 September 2014.

The NSW Food Authority has also reviewed the general food business notification requirements. It has determined that it will remove this requirement by recognising, in legislation, the local government registration process as meeting the needs of the national notification requirement. The Authority will engage with local government and progress to full implementation of this recommendation by early 2015.<sup>235</sup>

The NSW Food Authority's removal of the FSS notification requirement and the recommendations from the Local Government review (detailed above) should address stakeholder concerns raised in this licensing review.

### 5.3.7 Property valuer registration

In NSW, property valuers are regulated under the *Valuers Act 2003* (Valuers Act) and the *Valuers Regulation 2010*. The Valuers Act requires any person who practices or advertises as a valuer to be registered.<sup>236</sup>

Property valuer registrations are valid for 3 years. To be registered, a person must:<sup>237</sup>

- ▼ have 'appropriate' educational qualifications, as determined by the Director-General of the Department of Finance
- ▼ be a fit and proper person
- ▼ be over 18 years of age, and
- ▼ not be a disqualified person.

The results of our licence survey of NSW Government agencies indicate that there were about 3,200 valuer licences 'in force' in NSW on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$1.2 million.

We assessed the property valuer registration as part of our survey questionnaire analysis of 'significant' licences. Its total policy score (0.44) was above the median, indicating scope for reform. Suggested areas of improvement based on the policy score include duration and conditions.

<sup>235</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

<sup>236</sup> *Valuers Act 2003* (NSW), sections 6 and 7.

<sup>237</sup> *Ibid.*, section 8.

### Issues raised in submissions

In its submission to our Issues Paper, the Australian Property Institute (API) argued against removal of property valuer registrations, as it considered that incorrect valuation advice could have the following consequences:

- ▼ incorrect decisions on council rates, stamp duty, capital gains tax, fringe benefits tax, compensation and land tax
- ▼ mortgage related financial loss
- ▼ poor investment decisions.<sup>238</sup>

Numerous responses to our *Have your say* survey also commented on property valuer registration. Box 5.1 contains a selection of these comments, reflecting a range of views.

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#### **Box 5.1      *Have your say* comments on property valuer registration**

- ▼ The property valuation licence should be abolished. Other states and countries don't have it and don't have any problems.
- ▼ Licensing property valuers is of vital importance. Without adequate licensing, client losses would increase, raising indemnity insurance for the whole industry.
- ▼ The licensing system should be scrapped so that other private bodies who require proven practical experience, such as the API, can become the guardians of quality in the industry. Alternatively, the Government could reintroduce a rigorous restricted registration scheme as previously existed.
- ▼ The Continuing Professional Development requirements should be streamlined with API membership.
- ▼ Property valuers should be the independent auditors of the property industry. Valuers Registration needs greater compliance, regulations and disciplinary actions. At the heart of all property investments are "independent" property valuations. The collapse of many mortgage funds, debenture funds, property syndicates and small real estate investment trusts, highlights the need to ensure that the secured property underpinning the investments of, in many cases, unsophisticated investors, is correct and achievable in a sale situation. The lack of disciplinary action has seen a significant number of valuers continue to practice despite apparent failures in their valuations. Further it has been demonstrated that not all valuations are undertaken by independent experts, with some obviously having conflicts of interest. Examples are, Fincorp, ACR, and Westpoint. Just as the audit industry was tightened up, so to must the property valuation industry.

**Source:** Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

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<sup>238</sup> Australian Property Institute submission to IPART, December 2012.



In submissions received in response to our Draft Report, stakeholders were divided in their views on our recommendation to abolish the valuers licence. The API commented that some members support the removal of the licence as:

- ▼ there appears to be no market failures caused by the lack of licensing in other jurisdictions (eg, ACT, NT and VIC)
- ▼ the majority of valuers are API members and must meet API's membership requirements which are more extensive than the existing NSW valuers' licensing requirements.<sup>239</sup>

However, the Australian Valuers Institute and API consider that there would be the potential for reduced consumer protection if the valuers licence were abolished.<sup>240</sup>

One stakeholder commented that a negative licensing regime (ie. a statutory scheme that allows a person or business to practise unless they breach statutory-based requirements) could be used as an alternative to completely abolishing the licence.<sup>241</sup>

### PwC case study and IPART analysis

PwC prepared a case study on property valuer registration, to test and demonstrate the Licensing Framework. The full case study is provided at Appendix B to the Licensing Guide.<sup>242</sup>

PwC notes that:

There were approximately three million valuations undertaken in NSW in 2010. The majority (approximately 2.3 million or 77 per cent of valuations) were land valuations undertaken by the NSW Valuer General, who is exempt from the licensing requirements. The remaining 700,000 valuations undertaken in NSW were by private valuers subject to the licensing system.

The largest client group of private valuers is the finance industry, largely for valuations undertaken when a bank is assessing a home mortgage application. Fair Trading suggests that members of the public do not usually directly access valuation services. When they do access property valuing services, consumers are usually assisted by an intermediary such as a legal practitioner.<sup>243</sup>

<sup>239</sup> Australian Property Institute NSW Division - Sanders, G., submission to IPART, 2 July 2014.

<sup>240</sup> Australian Valuers Institute - Bouteris, J., submission to IPART, 30 June 2014, Australian Property Institute NSW Division - Sanders, G., submission to IPART, 2 July 2014.

<sup>241</sup> Galletti, B. (Individual), submission to IPART, 6 June 2014.

<sup>242</sup> PwC Licensing Guide, p 85.

<sup>243</sup> Ibid., p 86.

The rationale for licensing property valuers in NSW in 1975 was that there was an information asymmetry when consumers do not have the necessary knowledge to determine the quality of services provided. In addition, as property valuer assessments can underpin investment decisions of companies and individuals, poor valuations can have adverse consequences for consumers of valuation services and have the potential to create consumer detriment.

However, the industry and market place in which property valuers operate have experienced changes that mitigate the need for government action to address information asymmetry, including:<sup>244</sup>

- ▼ introduction of the Australian Consumer Law in January 2011
- ▼ the role of professional associations (such as the Australian Property Institute)
- ▼ the nature of the client base of property valuers: 80% to 95% of clients are large corporations that repeatedly and frequently engage property valuers, meaning they are well placed to assess the quality of a service
- ▼ the significant amount of information on property values available to consumers via the internet.

These changes suggest that, in the case of property valuers:

- ▼ There may be no ongoing rationale, or otherwise a reduced need for government intervention. If licences are still necessary, they could be required only for valuers working directly with consumers or for valuers who are not members of a professional association.
- ▼ Generic laws and remedies could be sufficient to address any remaining problem.

PwC's preliminary analysis of this licence as a case study suggests that the property valuers licence may not be necessary.<sup>245</sup>

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<sup>244</sup> Ibid., p 92.

<sup>245</sup> Ibid.

Property valuers licensing was scheduled to be part of considerations for the National Occupational Licensing System's (NOLS) second tranche of licences in 2014 and subject to testing as to whether there was an ongoing need for this licence.<sup>246</sup> The NOLS was to be undertaken by the National Occupational Licensing Authority (NOLA). However, in December 2013, COAG announced that the NOLA would be disbanded and that the states and territories will now work with the Council for the Australian Federation to develop alternative options to national licensing.<sup>247</sup>

The NSW Government, therefore, has two options for property valuer licences:

1. Wait for the Council for the Australian Federation to develop alternative options to national licensing.
2. Remove or reduce the scope of property valuer licences now for the reasons identified above.

Whilst we acknowledge the concerns raised by stakeholders, we consider that the consumer guarantees under the Australian Consumer Law offer sufficient consumer protections in the absence of the licence, as is the case in other jurisdictions where licensing of valuers does not exist. Commercial users of valuation services are able to provide for their interests under contractual arrangements.

We maintain our recommendation that the NSW Government should abolish property valuer licences, as it no longer appears necessary to licence this activity.

#### Recommendation

- 13 The NSW Government should, by the end of 2015, abolish property valuer licences.

#### 5.3.8 Architect registration

In NSW, only persons who are registered as architects with the NSW Architects Registration Board (ARB) may use the title "architect".<sup>248</sup> To be registered as an architect, a person must:<sup>249</sup>

- ▼ have the prescribed university qualification in architecture, or other qualifications that the Board deems equivalent

<sup>246</sup> National Occupational Licensing Authority (2013), *What is the National Occupational Licensing System?*, <http://nola.gov.au/files/2013/03/FS1nationallicensing.pdf>, accessed 15 July 2013; and Council of Australian Governments (COAG) National Licensing Steering Committee (2013), *Decision Regulation Impact Statement: Proposal for National Licensing of the property occupations*, p xi.

<sup>247</sup> National Occupational Licensing Authority (NOLA) (2013), *NOLA*, <http://nola.gov.au/>, accessed 23 December 2013.

<sup>248</sup> *Architects Act 2003* (NSW), section 9.

<sup>249</sup> *Architects Act 2003* (NSW), section 17; and Architects Registration Board, (2014), *Registration as an Architect in NSW*, <http://www.architects.nsw.gov.au/architects/for-architects>, accessed 20 March 2014.

- ▼ have an approved period of experience in architecture or a minimum 3,000 logged hours of work experience covering the mandatory elements of competency
- ▼ pass the Architects Accreditation Council of Australia's Architectural Practice Examination.

Registration is renewed annually, with a fee (currently \$220) paid each year. Renewal is conditional on an architect completing continuing professional development (CPD) activities totalling 20 hours.<sup>250</sup>

Architects who are registered in another Australian State or Territory are eligible to apply for registration in NSW under the Commonwealth *Mutual Recognition Act 1992*.<sup>251</sup>

Following the Productivity Commission's (PC's) *Review of Legislation Regulating the Architectural Profession 2000*, all State and Territory governments have implemented consistent standards for initial registration of architects. All States and Territories have also implemented mutual recognition legislation.

The number of licences 'in force' on 30 June 2012 and the total licence revenue collected during the 2011/12 financial year for licences related to architect registration in NSW are presented in Table 5.8.

**Table 5.8 NSW Licences related to architect registration**

Licence type	Number of licences in force (30 June 2012)	Total licence revenue(\$) (2011/12)
Registration as architect (full)	3,541	825,310
Nomination of Responsible Architect in an Architect Corporation or Firm	1,306	2,760
Registration as an architect (non-practising)	732	30,000
Registration as architect (temporary)	3	1,840

**Source:** IPART analysis, based on responses to NSW Government department/agency licence survey.

<sup>250</sup> Architects Registration Board, (2014), *Annual renewal of registration*, <http://www.architects.nsw.gov.au/news/190-renewal-notice>, accessed 20 March 2014.

<sup>251</sup> *Mutual Recognition Act 1992* (Cth), section 20.

### Issues raised in submissions

The Australian Institute of Architects NSW and the Architects' Accreditation Council of Australia (AACA) support a national licensing or registration scheme for architects.<sup>252</sup> The AACA considers that a national registration system will reduce compliance and administration costs and encourage labour mobility.

The Australian Institute of Building (AIB) argues that the registration of architects should come under the control of a single building regulator. If this does not occur, it says the architectural profession should be deregulated because it is the builder – not the architect – who is responsible for plans and compliance issues.<sup>253</sup>

In response to AIB's submission, the ARB has advised that architects do retain professional responsibility for their own work. In particular, if an architect makes a mistake in the design or specification of building works which result in a defect in the constructed works, then the architect is responsible to the client through their contract.<sup>254</sup>

### IPART analysis

Applying the Licensing Framework to architect registration in NSW, we find that it does not appear to satisfy Stage 1 of the framework – ie, whether licensing is appropriate (see section 3.2).

This aligns with findings made by the PC in its *Review of Legislation Regulating the Architectural Profession* in 2000.<sup>255</sup> This review considered whether the various jurisdictional Architects Acts serve the community interest and whether better, more efficient, mechanisms exist.<sup>256</sup>

The PC found that statutory certification of architects does not meet the test for good regulation; that is, that the benefits to the community do not outweigh the costs, and the objectives of the regulation could be met more efficiently by other (including non-legislative) means. The PC argued for repeal of Architects Acts and their replacement by a system of voluntary self-regulation.<sup>257</sup>

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<sup>252</sup> Architects' Accreditation Council of Australia submission to IPART, December 2012; Australian Institute of Architects NSW submission to IPART, December 2012.

<sup>253</sup> Australian Institute of Building submission to IPART, December 2012.

<sup>254</sup> NSW Architects Registration Board (NSW ARB), letter to IPART, 3 June 2013, pp 5-7.

<sup>255</sup> Productivity Commission (PC), *Review of Legislation Regulating the Architectural Profession*, Inquiry Report, August 2000, p XXXIX.

<sup>256</sup> We note that the PC review of 2000 considered the NSW *Architects Act 1921*, which has been replaced by the NSW *Architects Act 2003*.

<sup>257</sup> PC, *Review of Legislation Regulating the Architectural Profession*, Inquiry Report, August 2000, p XXXIX.

The PC considered the need for consumer protection and the degree of information asymmetry in provision of architectural services and found that statutory certification or registration of architects provided:<sup>258</sup>

- ▼ negligible additional consumer protection and community benefits compared with general building and planning laws, fair trading laws etc<sup>259</sup>
- ▼ virtually no protection or information for consumers over and above that which is, or could be, provided credibly and efficiently by a self-regulating profession.

The PC noted that:<sup>260</sup>

...removal of statutory certification of architects is unlikely to mean an absence of certification of architects (because architects, like engineers, accountants and many other professions, are likely to develop mechanisms for signalling their quality to consumers). Indeed, a self-regulating profession, subject to competition, is likely to have a very strong incentive to uphold standards.

While we agree with the PC's assessment of architect registration, we consider there are several complicating factors to abolishing architect registration in NSW. At this point in time, we do not recommend abolishing architect registration in NSW, for three reasons:

1. Abolishing architect registration in NSW alone is likely to have negative impacts on NSW architects, NSW architectural businesses and universities.
2. Architect registration is intertwined with current and proposed planning laws that would require review if architect registration is abolished.
3. Establishing a self-regulatory model to operate only in NSW is likely to be more costly than continuing with the current system of registration.

We discuss each of these issues below.

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<sup>258</sup> Ibid.

<sup>259</sup> The Australian Consumer Law may now also provide effective remedies to consumers through nationally consistent rights and protections and a national enforcement regime.

<sup>260</sup> PC, *Review of Legislation Regulating the Architectural Profession*, Inquiry Report, August 2000, p XXVII.

### Negative impacts on NSW architectural industry from abolishing registration

In feedback from the ARB, it explained that architect registration in NSW provides a range of benefits and is recognised throughout Australia and overseas.<sup>261</sup> The system of registration underpins arrangements throughout the industry. The ARB considers that abolishing architect registration in NSW alone would:<sup>262</sup>

- ▼ Disadvantage NSW architects' competitiveness in provision of services nationally and internationally – eg, they would have to register in another jurisdiction before they could apply for tenders and competitions where eligibility is restricted to registered architects.
- ▼ Disadvantage NSW universities in competition for national and international students, who are looking for a path to registration.
- ▼ Likely increase insurance premiums for NSW architects, since there would not be an agreed entry level standard or process for maintaining competence.
- ▼ Undermine the national and international mutual recognition systems. For example, Australia has agreed to bilateral or multilateral arrangements on reciprocal recognition of registered architects to facilitate mobility of architects in the provision of architectural services with 4 countries that are members of the Asia-Pacific Economic Cooperation<sup>263</sup> forum. If registration is abolished, NSW architects and architectural firms could not take advantage of these agreements without first obtaining registration in another Australian jurisdiction.

<sup>261</sup> NSW ARB, letter to IPART, 3 June 2013, pp 2-4.

<sup>262</sup> Ibid., pp 12-13.

<sup>263</sup> Asia-Pacific Economic Cooperation (APEC) is an intergovernmental grouping facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region. APEC has 21 member economies, which account for approximately 40 percent of the world's population, approximately 55 percent of world Gross Domestic Product and about 44 percent of world trade. Source: Asia-Pacific Economic Cooperation (undated), *About APEC*, <http://www.apec.org/About-Us/About-APEC.aspx>, accessed 11 July 2013.

### **Architect registration is intertwined with NSW planning laws**

Architect registration is intertwined with building and planning regulation in NSW.

Currently, State Environmental Plan Policy No 65 (SEPP 65) limits the design of residential flat developments to registered architects.<sup>264</sup> In April 2013, the NSW Government released its White Paper on *A New Planning System for NSW* for consultation. The White Paper proposes that responsibility for preparing and certifying plans for more complex building types (such as townhouses, large retail shops and factories that contain an office) will be limited to “accredited building designers” and registered architects.<sup>265</sup>

We note that the White Paper does not define “accredited building designers” and this category may include building designers other than registered architects. Nevertheless, the current SEPP 65 and proposed planning reforms rely on the registration of architects to define a class of professionals that may perform a defined role in the planning process. If architect registration in NSW were abolished, planning regulation would need to be reviewed to define these roles in a different way.

### **Establishing a self-regulatory model in NSW would be costly**

Currently, the ARB is fully funded by registration and examination fees paid by industry members.<sup>266</sup> Therefore, we consider that abolishing architect registration and replacing it with a system of voluntary self-regulation would impose additional costs on architects to establish such a self-regulatory system, with no apparent gain for the consumers and the community.

### **Towards a national register and harmonised registration requirements**

Although mutual recognition has made it easier for architects to work nationally, a nationally-recognised registration system would be an even less burdensome arrangement. Architects across Australia are already required to meet substantially similar standards for registration, with a standard Architectural Examination set by the AACA.<sup>267</sup> National registration would enable architects to obtain (and maintain) one registration rather than registering in one jurisdiction and seeking mutual recognition of this registration in other jurisdictions.

<sup>264</sup> State Environmental Planning Policy No 65, clause 29(1A), [http://www.austlii.edu.au/cgi-bin/download.cgi/au/legis/nsw/consol\\_reg/seppn65qorfd818](http://www.austlii.edu.au/cgi-bin/download.cgi/au/legis/nsw/consol_reg/seppn65qorfd818), accessed 19 July 2013.

<sup>265</sup> NSW Government, *A New Planning System for NSW: White Paper*, April 2013, p 185.

<sup>266</sup> NSW ARB, letter to IPART, 3 June 2013, p 4.

<sup>267</sup> *Ibid.*, p 2.



The ARB supports national recognition of architect registration to reduce burdens on registered architects.<sup>268</sup> The ARB explains that it has been working with other jurisdictions towards national recognition of architect registration, the creation of a national register and harmonisation of CPD requirements.<sup>269</sup>

In 2010, the PC considered the barriers to architects working in different States and Territories, as part of its *Annual Review of Regulatory Burdens on Business*.<sup>270</sup> Under the *Mutual Recognition Act 1992*, an architect's registration in their home jurisdiction is sufficient grounds for automatic registration in the host jurisdictions. The PC noted, however, that mutual recognition legislation does not exempt an architect wishing to practice in another jurisdiction from:

- ▼ paying any initial or ongoing registration fees required by that jurisdiction<sup>271</sup>
- ▼ compliance with ongoing registration requirements in that jurisdiction, including CPD requirements, which may differ from the requirements in the architect's home jurisdiction.<sup>272</sup>

To address these issues, the PC recommended that the Australian Government should work with State and Territory governments to implement a national register for architects.<sup>273</sup> The PC commented:<sup>274</sup>

While the Commission continues to see merit in more substantial deregulation, as recommended in its 2000 *Review of Legislation Regulating the Architectural Profession...*, in the absence of such reform a national register that eliminated the burden of multiple registration requirements would contribute to lower costs and enhance labour mobility and service provision across borders.

We also assessed the architect registration as part of our survey questionnaire analysis of 'significant' licences. Its total policy score (0.60) was above the median, indicating scope for reform. Suggested areas of improvement based on the policy score include duration, conditions, review, fee setting and compliance.

While there may be merit to further deregulation of the architectural industry, we note that if the current system of architect registration was to be removed, it would need to be removed nationally to avoid the negative economic impacts on the NSW architectural industry, as explained above. We also consider that moving to a self-regulatory system may impose additional costs on the industry without providing any real benefits.

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<sup>268</sup> Ibid., p 13.

<sup>269</sup> Ibid., pp 7-8.

<sup>270</sup> PC, *Annual Review of Regulatory Burdens on Business: Business and Consumer Services*, Research Report, August 2010, pp 140-143.

<sup>271</sup> Ibid., p 141.

<sup>272</sup> Ibid., pp 142-143.

<sup>273</sup> Ibid., p 143.

<sup>274</sup> Ibid., pp 141-142.

At this time, we do not recommend abolishing architect registration in NSW. Instead, we support continued efforts towards the creation of a national register of architects and harmonisation of registration requirements.

Our position has received stakeholders' support during public consultation on our Draft Report. The NSW Architects Registration Board endorses the comments in relation to licensing of architects in NSW and supports IPART's recommendation that there should be a move to national registration of architects.<sup>275</sup>

The Australian Institute of Architects also welcomes IPART's comments. The Institute agrees that de-registration in NSW would penalise NSW architects working in other jurisdictions and make it difficult for them to compete with registered architects in those jurisdictions. The Institute also advocates the national licensing of architects, so that the payment of a licence fee in one Australian jurisdiction will provide coverage for the whole of Australia.<sup>276</sup>

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<sup>275</sup> NSW Architects Registration Board - Doyle, K., submission to IPART, 25 June 2014.

<sup>276</sup> Australian Institute of Architects - Brown, M., submission to IPART, 3 July 2014.

## 6 Other licences identified for reform by stakeholders

Chapter 5 discussed our recommended reforms of priority licences. These were developed first through our use of survey data to rank priorities, and then through our assessment of specific reform options.

This chapter presents our recommendations for reforms of other licences. These are primarily based on our review of stakeholder submissions, responses to our *Have your say* survey, and comments at the public roundtable. They also include some licences identified through testing of the Licensing Framework.

We have considered 20 different licence types (or groups of licences) and their potential for reform. Where possible, we have made specific recommendations to reform a licence. However, for a number of licences, our recommendations in this chapter refer to the need for the NSW Government to assess the licence against the Licensing Framework and Licensing Guide. These recommendations often reflect stakeholder views that a licence is unnecessary, or specific elements are poorly designed or administered.

The chapter is divided into two sections:

- ▼ 6.1 'Significant' licences raised by stakeholders - this section presents analysis on 15 'significant' licences that were not ranked in the 'Top 40' but which were raised by stakeholders during our consultation period.
- ▼ 6.2 Other licences raised by stakeholders - this section presents analysis on five licences not on the priority list, and other licensing issues that were raised by stakeholders.

The analysis presented in this chapter is a high-level assessment of a licence or an element of a licence. We have not estimated the potential impacts of these recommended licence reforms as we did in the previous chapter. Rather, we explain the issue or problem with the licence and consider how this could be addressed. Further analysis may be required by the NSW Government and/or relevant department or agency.

We note that local council licences are not considered in this chapter. We have considered many of these licences in our concurrent red tape review of Local Government Compliance and Enforcement (eg, companion animal registrations and approvals under section 68 of the *Local Government Act 1993*).<sup>277</sup>

## 6.1 ‘Significant’ licences raised by stakeholders

This section presents analysis on 15 ‘significant’ licences that were not ranked in the ‘Top 40’ but were raised by stakeholders during our consultation period. For these licences, we have also provided information on each licence’s policy score for licence design and administration, where available.<sup>278</sup> These policy scores are explained in Chapter 4 and detailed results are in Appendix H and J.

### 6.1.1 Authorisations of accredited electricity service providers level 1 and 2

The *Electricity Supply Act 1995* (ES Act) provides a framework for electricity customers to contract directly with third party service providers to do work that is necessary to connect them to a distribution network or increase the capacity of the distribution system. This work is referred to as contestable work. The ES Act establishes a process of accreditation so that only competent service providers may do contestable work.<sup>279</sup>

Customers engage Accredited Service Providers (ASPs) to undertake their work directly and the relevant Distribution Network Service Provider (DNSP) takes on ownership and responsibility for maintenance of work completed on the network, as it owns the network. In NSW, there are 3 DNSPs: Ausgrid, Endeavour Energy and Essential Energy. These DNSPs have a range of obligations to ensure the safety and reliability of their networks.<sup>280</sup>

ASPs are accredited as Level 1, Level 2 or Level 3 providers, referring to the category of work they may perform.

<sup>277</sup> IPART, *Regulation Review – Local Government Compliance and Enforcement – Draft Report*, October 2013.

<sup>278</sup> Note that policy scores have been calculated for the 310 ‘significant’ licences. Stakeholder’s comments on these licence types are analysed in section 6.1.

<sup>279</sup> *Electricity Supply Act 1995* (NSW), section 31; *Electricity Supply (General) Regulation 2001* (NSW), Part 10.

<sup>280</sup> Better Regulation Office, *Review of electricity network contestable services: Review report*, July 2010, p 5.

Currently, the regulatory framework requires that three conditions are met before an ASP undertakes work on a network:<sup>281</sup>

1. The service provider's company is accredited by the Department of Trade & Investment, Regional Infrastructure and Services (NSW Trade & Investment) under the ASP Scheme to show that it is capable of doing the work and satisfies prudential requirements.
2. Each individual worker is assessed by the relevant DNSP to ensure they have the right skills and training.
3. The DNSP provides the individual worker with a health and safety induction to its network, including training on how its network is built and how to work on the network.

The number of licences 'in force' on 30 June 2012 and the total licence revenue collected during the 2011/12 financial year for ASP authorisations in NSW are presented in Table 6.1.

**Table 6.1 NSW Electricity ASP authorisations**

Licence type	Number of licences in force (30 June 2012)	Total licence revenue (\$2011/12)
Authorisation of Level 1 and Level 2 Accredited Service Providers to carry out contestable work on or near the distribution network.	1,465	233,935
Authorisation to access the network	1,387	220,024
External Authorisation Level 1 Service Provider	382	17,140
External Authorisation Level 2 Service Provider	802	19,064

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

### Issues raised in submissions

One response to our *Have your say* survey raised an issue with the current ASP Scheme. This respondent commented that each of the 3 DNSPs have their own training requirements. Instead, there should be a single set of statutory training requirements for ASPs to operate on all networks.<sup>282</sup>

<sup>281</sup> Ibid., p 10.

<sup>282</sup> Comment provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

## IPART analysis

The ASP Scheme was reviewed by the former Better Regulation Office (BRO)<sup>283</sup> in 2009/10, with a report to the NSW Government published in July 2010.<sup>284</sup> The former BRO made a number of recommendations to improve the operation of the ASP Scheme and to transfer responsibility for the scheme to NSW Trade & Investment (from NSW Fair Trading) as it is the government body responsible for energy policy and regulation in NSW.<sup>285</sup>

We understand that the NSW Government accepted the former BRO's recommendations and that the transfer in responsibility for the ASP Scheme occurred in September 2010. We also understand that NSW Trade & Investment is in the process of implementing the former BRO's remaining recommendations.

Nevertheless, the former BRO's recommendations do not address the issue raised in response to our *Have your say survey*, relating to separate training requirements of the 3 NSW DNSPs. We consider it is likely there is scope for NSW DNSPs to develop a single training program that could operate as a mandatory attribute for authorised ASPs to operate on all NSW electricity networks.

We also assessed the ASP licence as part of our survey questionnaire and analysis of 'significant' licences. Its total policy score (0.69) was above the median, indicating scope for reform. Suggested areas of improvement based on the policy score include licence administration and duration.

## Recommendation

### 14 NSW Trade & Investment should, by the end of 2015:

- implement any remaining recommendations from the former Better Regulation Office's review of the electricity Accredited Service Provider (ASP) Scheme in 2010
- work with Distribution Network Service Providers to coordinate the development of a single training requirement that would authorise ASP employees to operate on all networks, rather than separate training for each network.

<sup>283</sup> In partnership with Industry & Investment NSW and NSW Fair Trading.

<sup>284</sup> Better Regulation Office, *Review of electricity network contestable services: Review report*, July 2010.

<sup>285</sup> For example, the former BRO recommended that individual Accredited Service Provider (ASP) accreditation should not be linked to a company's accreditation; and the NSW Government and Australian Energy Market Operator (AEMO) should develop mutual recognition arrangements for AEMO-accredited metering providers and NSW ASPs in relation to meter installation (Ibid., p 2).

### 6.1.2 Child performance authority

Any person intending to employ:

- ▼ a child under the age of 15 in entertainment, exhibition, still photography or door-to-door sales, or
- ▼ a child under the age of 16 for any type of modelling

in NSW must hold an Authority to employ children, unless the child employment legislation exempts them from this requirement.<sup>286</sup>

Authorised and exempt employers must comply with the Code of Practice in the *Children and Young Person (Care and Protection) (Child Employment) Regulation 2010*. Under this Code of Practice, they must notify the NSW Children's Guardian of every instance of every child's employment at least 7 days in advance, unless notice has been negotiated.

Fees for an Authority vary depending on:

- ▼ the nature of the employer's proposed child employment activities
- ▼ the duration of the Authority
- ▼ whether the applicant meets the legislative eligibility requirements for a 25% discount.

Fees range from \$484 for a 1-month still photography authority, to \$2,200 for a 12-month entertainment and exhibition authority.<sup>287</sup>

The results of our licence survey of NSW Government agencies indicate that 263 child performance authorities (Child Employment - Employers Authority) were 'in force' on 30 June 2012. The total licence revenue collected in NSW during the 2011/12 financial year for this licence type was about \$210,000.

#### Issues raised in submissions

Live Performance Australia (LPA) acknowledged that similar permit or licensing requirements apply in other jurisdictions. LPA claims, however, that NSW is the only jurisdiction that charges a fee for an Authority to employ children in this way. LPA argues that the Authority fees are a significant burden on businesses in the live entertainment industry.<sup>288</sup>

<sup>286</sup> *Children and Young Persons (Care and Protection) Act 1998* (NSW), Chapter 13.

<sup>287</sup> Office of the Children's Guardian (2011), *Applying for an Authority to Employ Children in NSW*, <http://www.kidsguardian.nsw.gov.au/Working-with-children/Children-s-employment/Information-for-employers/applying-for-an-authority-to-employ-children-in-nsw>, accessed 23 September 2014.

<sup>288</sup> Live Performance Australia submission to IPART, December 2012.

## IPART analysis

We assessed the Child Employment – Employers Authority as part of our analysis of ‘significant’ licences. Its total policy score (0.51) was above the median, suggesting scope for reform. Potential reform areas are licence administration, duration, conditions and fee setting.

This authority is a “permission licence”, as described by the Licensing Framework. The framework notes that for permission licences, fees and charges should be set at levels that recover the efficient costs of administering the licensing scheme and monitoring and enforcing compliance – unless there is a policy rationale for setting fees below cost recovery levels.<sup>289</sup>

### Recommendation

- 15 The NSW Government should review the fee setting principles for Child Employment – Employer Authority (administered by the Children’s Guardian), using the Licensing Framework.

### 6.1.3 Commercial fishing licences

Commercial fishing activity in NSW is regulated under the *Fisheries Management Act 1994* (NSW) (‘the FM Act’) and subordinate legislation administered by the Department of Primary Industries (DPI). The purpose of the FM Act is to “conserve, develop and share the fishery resources of the State for the benefit of present and future generations.”<sup>290</sup>

The DPI and Fisheries NSW use a number of licence and endorsement mechanisms, including the commercial fishing licence, to control commercial fishing activity in NSW under the requirements of the Act and related legislation. There are currently 3 points in the fishing supply chain where a licence and/or endorsement may apply:

- ▼ *Fishery businesses*: NSW fisheries businesses are issued either (i) shares in a share management fishery or (ii) entitlement to an endorsement in a restricted fishery that provide each business with a right to commercially fish in NSW waters. These ‘privilege’ licences give a limited number of licensees the right to undertake an activity to the exclusion of others, essentially providing a property right that allows ongoing access. There are currently an estimated 1,304 fishery businesses and 4,483 endorsements in NSW.<sup>291</sup>

<sup>289</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material*, (PwC Licensing Guide) p 50.

<sup>290</sup> *Fisheries Management Act 1994* (NSW), section 3.

<sup>291</sup> PwC Licensing Guide, Appendix C, p 94.



- ▼ *Commercial fisher*: The commercial fishing licence grants permission for a person to engage in commercial fishing activities – ie, to take fish for sale. The commercial fishing licence identifies a person who is authorised to fish an endorsement, which allows compliance officers to identify that someone taking fish from the waters of NSW is authorised to do so. There were 1,274 commercial fishing licences in force in NSW on 30 June 2012. About \$360,000 was collected in licence revenue during 2011/12.<sup>292</sup>
- ▼ *Vessel*: The *NSW Fisheries Management Act 1994* also requires that all commercial fishing vessels be licensed. Commercial fishing boat licences can be issued to an individual, partnership or company and must be carried at all times whilst a boat is undertaking commercial fishing activities. Commercial fishing vessels must also be registered with NSW Roads and Maritime Services (RMS). There were 1,964 commercial fishing vessel licences in force in NSW on 30 June 2012. About \$345,000 was collected in licence revenue during 2011/12.<sup>293</sup>

### Recent reform

In 2012, an Independent Review of NSW Commercial Fisheries Policies, Management and Administration was commissioned by the Minister for Primary Industries.<sup>294</sup> The Review was undertaken by Richard Stevens OAM to examine the ‘shortcomings of commercial fisheries policy, management and administration in NSW and secondly what needs to be done to fix them’. In March 2012, the NSW Government responded to the independent review by proposing a range of reforms intended to ‘create a more viable and sustainable sector’ involving ‘new management, consultation and governance structures’. The reforms included, but were not limited to:

- ▼ establishing a Ministerial Fisheries Advisory Council, a peak industry body and a number of other arrangements for improved consultation
- ▼ a fee increase from July 2013 and a move towards fees based on resource access, in order to achieve a higher level of cost recovery of enforcement and compliance costs (currently approximately 20%)
- ▼ a structural adjustment package of \$16 million to provide a way for businesses to exit and enter the industry.

<sup>292</sup> NSW Government department/agencies licence survey data.

<sup>293</sup> Ibid.

<sup>294</sup> Stevens, R., Cartwright, I., Neville, P., *Independent Review of NSW Commercial Fisheries Policy, Management and Administration*, 2012.

The reforms are being introduced incrementally through to January 2015. Some reforms are already in the process of being introduced, such as establishment of the Ministerial Fisheries Advisory Council, development of an exit grant scheme, commencement of legislative amendments, and consultation with industry regarding formation of a peak industry body.<sup>295</sup>

### PricewaterhouseCoopers (PwC) case study and IPART analysis

PwC has used the commercial fishing licence as a case study to test and demonstrate its Licensing Framework. This case study is presented in Appendix C of the Licensing Guide.

In summary, the case study recognises that government intervention is required to protect NSW fisheries from overfishing and it supports licensing as a regulatory option. However, it notes there may be merit in exploring the following potential changes:

- ▼ whether it is appropriate and efficient to impose this licensing on the commercial fisher, as opposed to the fishing business or commercial fishing vessel
- ▼ whether it is possible to extend the duration of the commercial fishing licence, by 'unbundling' licence reporting requirements from licence duration
- ▼ the benefits of introducing an ongoing system of review and evaluation of the commercial fishing licence
- ▼ other measures to improve licence design and administration, including reporting requirements, fees and charges, conduct rules, and provision of online services.

There are also other licensing areas related to the commercial fishing industry that could be considered as part of a review of commercial fishing licences. These potential areas for reform are presented below.

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<sup>295</sup> NSW Government (2012), *Commercial Fisheries Reform*, [http://www.dpi.nsw.gov.au/\\_data/assets/pdf\\_file/0004/448186/Fact-sheet-Commercial-Fishing-Reforms.pdf](http://www.dpi.nsw.gov.au/_data/assets/pdf_file/0004/448186/Fact-sheet-Commercial-Fishing-Reforms.pdf), accessed 15 July 2013.

### Registered fish receiver

The registered fish receiver program had 151 licences in force in 2011/12 raising \$307,483 in revenue. This is a 'significant' licence by our definition (ie, one of the 269 licences identified as 'significant'), ranking 6th on the total policy score (ie, demonstrating high reform potential).

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#### Box 6.1 Registered fish receiver

- ▼ There are two classes of fish receiver registration prescribed under clause 208 of the *Fisheries Management (General) Regulation 2010* (NSW):
  - Class A registration applies to commercial fishing licence holders and enables the fisher to sell their own catch for further commercial use (eg, through a restaurant). The annual fee for a Class A registration is \$1,054.
  - Class B registration, typically held by a business such as a Fishermen's Cooperative, Sydney Fish Market or a fish processor, enables that business to purchase catch directly from a commercial fisher. The fee for a Class B registration is \$3,434 for up to two premises, and a further \$1,716 for each additional registered fish receiving premises.
  - A commercial fisher does not require a Class A registration to sell their catch to a business holding a Class B registration.
- ▼ Class B registration holders report quarterly to Fisheries NSW:
  - Records detailing species and quantities purchased, and the details of the commercial fishers the catch is purchased from.
  - Records are reconciled against individual commercial fisher catch records to ensure accurate reporting.
- ▼ Revenue from fish receiver registrations is placed in the commercial fishing trust:
  - To offset the costs of program administration.
  - To provide funding for compliance activities that target illegal seafood marketing (eg, selling of catch which has not been taken by legitimate commercial fishers).

**Source:** Data provided by Fisheries NSW, email of 29 May 2013.

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Fish receiver registration appears to impose significant costs on both commercial fishers and small businesses that are prevented from purchasing seafood directly from commercial fishers. There is also an administrative burden associated with providing the quarterly returns to Fisheries NSW. There may be benefits from reviewing the fish receiver arrangements as part of the broader review of fishing licences.

### Duplication across agencies

Broader duplication of licensing requirements also exists across aspects of commercial fishery management. For example, Fisheries NSW administers commercial fishing boat licences (1,964 licences in force, \$345,459 revenue). At the same time many of these boats are registered with RMS under commercial vessel or general vessel registration requirements, and also with NSW Food Authority under seafood handling requirements. There may be efficiencies in removing the fisheries management related licensing requirement for at least certain commercial boat types deemed as low risk (eg, depending on the size of a boat) and subject to NSW Food Authority and RMS controls.

As the recommendations of the Stevens review of commercial fishing are currently being implemented, it is an ideal time to streamline licensing requirements and explore opportunities to improve the management of commercial fishing licences.

#### Recommendation

- 16 The NSW Government should, by the end of 2015, evaluate the Commercial Fishing Licence (administered by the Department of Primary Industries) using the Licensing Framework, and take into account PwC's preliminary analysis of this licence as a case study in the Licensing Guide. Concurrent with this review the registered fish receiver licence should also be reviewed.

NSW Trade and Investment in its submission notes that the NSW Government *has accepted the draft recommendation*. For this Final Report, we have extended the timeline for review until the end of 2015. The Department of Primary Industries is currently reviewing commercial fishing licensing arrangements as part of the NSW Government's commercial fishing reform program. This review includes longer duration licences and relaxing the mandatory requirement for all commercial fishing vessels to be licensed. However, the reform program needs to be undertaken first before licensing arrangements can be fully considered and changes implemented.<sup>296</sup>

The Office of Small Business Commissioner also supports the draft recommendation and notes that this licence appears to impose significant costs on small businesses that are prevented from purchasing seafood directly from commercial fishers.<sup>297</sup>

<sup>296</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

<sup>297</sup> NSW Small Business Commissioner - Hobbs, R., submission to IPART, 3 July 2014.

#### 6.1.4 Commercial property agents

The *Property Stock and Business Agents Act 2002 (NSW)* (PSBA Act) applies to anyone engaged in buying, selling, leasing or managing property for someone else. Property agents are required to comply with a range of rules, including:

- ▼ disclosure requirements
- ▼ agency agreements
- ▼ record keeping
- ▼ training and professional development
- ▼ collection of rent and administration of trust accounts.

The main objective of the PSBA Act is to minimise consumer risk in property transactions.<sup>298</sup>

The *Property Stock and Business Agents Regulation 2014*<sup>299</sup> provides the detail for agents to carry out their responsibilities under the Act. The regulation helps to ensure property agent business is ethical and financially accountable and thus supports the PSBA Act's role in ensuring fair dealings between agents and consumers.

The number of commercial property agent licences was not specifically reported by NSW Fair Trading in its response to our survey of NSW Government agencies. However, it was reported that there were about 17,500 Real Estate Agent licences in force in NSW on 30 June 2012. This figure includes commercial property agent licences.

#### Issues raised in submissions

The Shopping Centre Council of Australia Limited (SCCA) argues there should be an exemption available for commercial property agents who are managing the property of a related company.<sup>300</sup> It notes:

Our members have indicated that compliance with the PSBA Act requirements (and those in every other jurisdiction) costs them millions of dollars. This is particularly frustrating when the only reason they are incurring these costs is to protect themselves against their agent or property manager (with whom they already have a comprehensive management agreement), particularly when that manager is a related company.<sup>301</sup>

<sup>298</sup> Office of Fair Trading, *Regulation of Commercial Property Agents under the Property Stock and Business Agents Act 2002*, Discussion Paper, December 2004, p 2.

<sup>299</sup> This commenced on 1 September 2014 and replaces the *Property, Stock and Business Agents Regulation 2003*, which was repealed as part of the *Subordinate Legislation Act 1989*.

<sup>300</sup> Shopping Centre Council of Australia Limited (SCCA) submission to IPART, December 2012.

<sup>301</sup> Ibid.

The SCCA also argues that there should be an exemption available for agency agreements with “sophisticated” property investors (eg, who hold greater than \$10 million in property investments). The SCCA considers that these businesses do not need or want legislative protection and that the agency agreement should be a matter for commercial negotiation between the parties, not a matter for government regulation.

In response to our Draft Report, the SCCA has argued that our recommendation has not gone far enough. It reiterates its concerns about the need for exemptions from the Act for agents managing on behalf of ‘sophisticated’ or ‘large’ commercial property owners, even if they are not a related entity.

It suggests that a sophisticated or large commercial property owner could be defined as having a:

- ▼ gross total floor area of at least 10,000 square meters or
- ▼ total estimated property value of at least \$10 million.

The SCCA argues that the exemption would have no impact on small commercial property agencies. Using 2011/12 data, it estimates that this exemption would affect around 3.8% of commercial property sales. It also noted that there were only 115 sales (1.7%) which exceeded \$20 million and only 46 sales (0.7%) which exceeded \$30 million.<sup>302</sup>

The OSBC does not support the recommendation. It argues that the *Property Stock and Business Agents Act 2002* (NSW) protects not only principals in principal-agency relationships, but also end customers. These protections ensure that agents operate in a financially and ethically accountable manner. From the perspective of small businesses, these protections are required in part because they are not captured by the *Retail Leases Act 1994*.<sup>303</sup>

## IPART analysis

This is not a new issue. The SCCA, the Property Council of Australia and AMP made submissions to IPART’s 2006 review of regulatory burdens in NSW, arguing that applying the PSBA Act to segments of the commercial property sector is unnecessary and costly.

<sup>302</sup> Shopping Centre Council of Australia Limited (SCCA) submission to IPART, June 2014, p 8.

<sup>303</sup> OSBC submission to IPART, 3 July 2014.

In the Final Report for this 2006 review, IPART recommended that the (then) Office of Fair Trading finalise its review of the PSBA Act in relation to commercial property agents and that in doing so it should consider:

- ▼ exemptions from requirements for commercial property agents who are managing the property of a related company
- ▼ other potentially viable exemptions from requirements of the PSBA Act for specific classes of commercial property, taking into account the benefits and costs (including administration costs) of such exemptions
- ▼ whether educational and professional development requirements under the PSBA Act could be made more relevant to the commercial property sector, including the retail component of this sector, and possible exemptions from these requirements for commercial property managers.<sup>304</sup>

The SCCA noted, in its response to our Issues Paper, that the (then) NSW Government committed to make a regulation to exempt commercial property agents who work for a related corporate entity. The Report of the *NSW Statutory Review of the Property Stock and Business Agents Act* in 2008 also recommended that commercial property agents who sell or manage property for a related corporate entity should be exempted from the PSBA Act.<sup>305</sup>

It should be noted that for commercial property agents, in 2012 and 2013 the NSW Government progressed the commitments and recommendations resulting from IPART's 2006 review of regulatory burdens in NSW. An exemption from the requirement to obtain professional indemnity insurance has been introduced for commercial property agency work:

- ▼ with respect to any property that exceeds \$10 million in value  
**and/or**
- ▼ carried out by a corporation on behalf of an affiliate that has indemnified the corporation against claims.<sup>306</sup>

Regarding progress in the other states we note that Queensland has already introduced exemptions for related corporate entity's and large scale non-residential property transactions or holdings.<sup>307</sup> In Victoria, related entity dealings are already exempt. The Victorian Government has also announced that it will remove the licensing requirement for large commercial property transactions under the *Estate Agents Act 1980* (VIC) by the end of 2014.<sup>308</sup>

<sup>304</sup> IPART, *Investigation into the burden of regulation in NSW and improving regulatory efficiency - Final Report*, 2006, pp 236-237.

<sup>305</sup> SCCA submission to IPART, December 2012.

<sup>306</sup> *Property, Stock and Business Agents Regulation 2014* (NSW), clause 10(7)(a) and (b).

<sup>307</sup> *Property Occupations Act 2014* (QLD), Division 2, sections 7 and 8. This legislation was passed on 7 May 2014, but is yet to commence.

<sup>308</sup> <http://www.premier.vic.gov.au/media-centre/media-releases/8853-red-tape-reduced-victorian-coalition-government-announces-36-red-tape-reforms.html>.

The OSBC has raised concerns about the potential reduction in protection for small businesses if an exemption from the PBSA Act was extended to large commercial property owners. However, as noted in SCCA's submission:

- ▼ The PBSA Act protects the 'consumers' of real estate agency services and 'suppliers' of real estate agency services. In relation to the proposed exemption, the 'consumers' are large professional property owners who do not need protection.
- ▼ The protection that is provided under the PBSA Act:
  - Is not intended to apply to tenants or 'end customers'. It also doesn't apply to property owners who lease a property directly without an agent – these are provided under retail tenancy (eg *Retail Leases Act*) and residential tenancy laws. Tenants are also protected by the legally enforceable lease.
  - Are minimal with regard to ethical and professional conduct. Much stronger protection is provided in the Australian Consumer Law for misleading, deceptive and unconscionable conduct.

The SCCA states that small businesses are intentionally not covered by the *Retail Leases Act*.<sup>309</sup> If this is an issue, the SCCA states that this should be addressed by changes to the *Retail Leases Act*. However, we note that small industrial and commercial business tenants can still obtain mediation services from the NSW Small Business Commissioner.

Therefore we recognise SCCA's argument that the exemption should be extended to sophisticated or large commercial property owners because these businesses do not need or want legislative protection. We also recognise that the exemption would only affect around 3.8% of commercial properties. For this reason, we consider that extending the exemption to include large commercial property agents is appropriate.

This is consistent with the findings of the Consultation Regulatory Impact Statement: Proposal for National Licensing for Property Occupations. It found that there was minimal risk in non-residential property transactions stating that:

most parties are sophisticated consumers who are familiar with working in the industrial, commercial or primary production environment and are able to seek redress through legal action in relation to the contractual issues involved.<sup>310</sup>

The real estate agent licence (which includes commercial property agents) was also assessed as part of our 'significant' licences analysis. Its total policy score (0.59) was above the median, suggesting scope for licence reform. Potential reform areas are duration and conditions.

<sup>309</sup> The NSW Small Business Commissioner has a role under the *Retail Leases Act 1994* to provide dispute resolution services for retail businesses.

<sup>310</sup> Commonwealth of Australia, *Decision Regulation Impact Statement – proposal for national licensing of the property occupations*, 2013, p 26.



### Recommendation

17 The NSW Government should exempt commercial property agents who sell or manage property for:

- a related corporate entity
- a large commercial property owner

from the requirements of the *Property Stock and Business Agents Act 2002*.

### 6.1.5 Entertainment industry representative licences

The *Entertainment Industry Act 1989* (NSW) (EI Act) was introduced to protect performers in their commercial dealings with agents, managers and venue consultants (entertainment industry representatives). Currently these entertainment industry representatives must obtain a licence to operate in NSW and comply with a range of laws governing their operations, including the maximum fees that can be charged and how money held on behalf of performers must be handled.<sup>311</sup>

In April 2009, the former Better Regulation Office (BRO) completed a review of licences issued under the EI Act, as part of a broader review of occupational licences.<sup>312</sup> In response to the recommendations of that review, the NSW Government agreed that the licensing scheme for entertainment industry representatives was not operating effectively and should be removed. This was subject to the review and reform of the EI Act, to ensure other consumer protections are working efficiently and effectively.<sup>313</sup>

The former BRO and NSW Industrial Relations completed this review of the EI Act in October 2010, making 25 proposals for reform that are capable of ensuring that the EI Act effectively protects performers after the removal of entertainment industry representative licensing.<sup>314</sup>

The results of our licence survey of NSW Government agencies indicate that there were 431 EI Act licences ‘in force’ in NSW on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$100,000.

<sup>311</sup> *Entertainment Industry Act 1989* (NSW), Part 4.

<sup>312</sup> BRO, *Report on the Review of Licensing of Selected Occupations*, April 2009, pp 9-21.

<sup>313</sup> BRO and Office of Industrial Relations, *Final Report: Review of the Entertainment Industry Act 1989*, October 2010, p 3.

<sup>314</sup> *Ibid.*

### Issues raised in submissions.

According to an anonymous submission, this licence imposes no burden on business or individuals. In fact, “the lack of licensing in the entertainment industry is a burden on the general public.” It notes that various factors have devalued this licence: there are very low barriers to obtain the licence; and there are large numbers of unlicensed entertainment industry representatives operating in NSW.<sup>315</sup>

Ms Lalor considers there should be greater monitoring and enforcement of representatives operating without a licence.<sup>316</sup>

### IPART analysis

We assessed the entertainment industry representative licence as part of the analysis of ‘significant’ licences. Its total policy score (0.53) was above the median, suggesting scope for reform. Potential reform areas are licence administration, duration, conditions and fee setting. However, rather than improving its design and administration, the 2010 review conducted by the former BRO and NSW Industrial Relations suggested there is merit in removing this licence.<sup>317</sup>

On 1 October 2013, the *Entertainment Industry Act 2013* (NSW) was assented to. This Act repeals and replaces the EI Act and substantially implements the recommendations from the 2010 review. In particular, the Act removes the entertainment industry licensing requirements.<sup>318</sup>

We welcome this legislative reform and support the implementation of the recommendations resulting from the former BRO and NSW Industrial Relations’ review, including abolition of entertainment industry licensing.

In light of the recent legislative reform, we will not be making any recommendations for this licence.

<sup>315</sup> Anonymous submission to IPART, December 2012.

<sup>316</sup> Lalor, D. submission to IPART, December 2012.

<sup>317</sup> BRO, NSW Industrial Relations, *Final Report: Review of the Entertainment Industry Act 1989*, October 2010, p 10.

<sup>318</sup> Parliament of New South Wales, Hansard Transcript: *Entertainment Industry Bill 2013*, Second Reading,  
[http://www.parliament.nsw.gov.au/Prod/parlment/hansart.nsf/V3Key/LC20130911042?open&refNavID=HA8\\_1](http://www.parliament.nsw.gov.au/Prod/parlment/hansart.nsf/V3Key/LC20130911042?open&refNavID=HA8_1), accessed 28 October 2013.

### 6.1.6 Farm milk collector licence

NSW businesses in the dairy and milk product supply chain are regulated under the *Food Act 2003* (NSW) (the Food Act), administered by the NSW Food Authority. The objectives of the Act are to:<sup>319</sup>

- ▼ ensure food for sale is both safe and suitable for human consumption
- ▼ prevent misleading conduct in connection with the sale of food
- ▼ provide for the application of the Australia New Zealand Food Standards Code (ANZFS Code) in NSW.

All dairy product factories, vehicle vendors, dairy produce stores, milk stores, milk collectors and dairy farmers in NSW are required to hold a licence to operate under the *Food Act 2003*.<sup>320</sup> The farm milk collector licence gives a business the ability to transport milk products in a specified vehicle, between milk producers and milk processors. Current licensing arrangements require businesses to implement and comply with an approved Food Safety Program (as required under the ANZFS Code).<sup>321</sup>

The results of our licence survey of NSW Government agencies indicate that 119 farm milk collector licences were 'in force' in NSW on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$36,000.

### PwC case study and IPART analysis

PwC demonstrated and tested the Licensing Framework by applying it to a farm milk collector's licence. This case study is presented in Appendix D of the Licensing Guide.

In summary, it appears that licensing of farm milk collectors is needed to provide consumer protection from potentially hazardous milk.

PwC notes that:

Consumers rely on producers to prepare and provide food that is safe to consume. Government intervention through regulation is warranted because of concerns related to food poisoning and the inability of consumers to detect if a food product is safe and of an appropriate standard, prior to consumption...Given the nature of milk products, improper handling along the production-processing supply chain can result in spoilage. Consuming an unsuitable milk or dairy product may lead to food poisoning, with potentially severe consequences for the public.<sup>322</sup>

<sup>319</sup> *Food Act 2003* (NSW), section 3.

<sup>320</sup> *Food Regulation 2010* (NSW), Parts 4 and 5.

<sup>321</sup> *Ibid.*

<sup>322</sup> PwC Licensing Guide, Appendix D, p 130.

PwC's preliminary analysis of this licence as a case study supports licensing of farm milk collectors as a regulatory option. However, it also notes there may be merit in exploring the following potential changes to licensing arrangements:<sup>323</sup>

- ▼ Whether it is possible to reduce the regulatory burden by incorporating a risk-based licensing approach. This would involve targeting those businesses that are most likely to have an impact on food safety, or are the closest to the end user.
- ▼ Whether it is possible to licence at the business level (and incorporate vehicle sanitation standards as a condition of the business's licence) rather than the current approach of licensing each vehicle operated by a business.
- ▼ Whether it is possible to extend the duration of the milk collector licence, particularly if a licence applies to businesses rather than vehicles.
- ▼ Other measures to improve licence design and administration, including fees and charges and provision of online services.

#### Recommendation

- 18 The NSW Government should, by the end of 2015, evaluate the farm milk collector's licence (administered by the NSW Food Authority) using the Licensing Framework, and take into account PwC's preliminary analysis of this licence as a case study in the Licensing Guide.

NSW Trade & Investment commented that the NSW Government *has accepted the draft recommendation*. For this Final Report, we have extended the timeline for review until the end of 2015. The NSW Food Authority is currently reviewing the *Food Regulation 2010* and will be considering licensing at a business level, a risk-based approach to licensing, and the duration of the licences. The NSW Food Authority is also reviewing how all of its licensing processes can be simplified, including online application processes.<sup>324</sup>

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<sup>323</sup> Ibid.

<sup>324</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

### 6.1.7 Food authority licence to cultivate spat

Certain food businesses are required to hold a NSW Food Authority licence to operate. Under the *Food Regulation 2010*, food businesses must have a NSW Food Authority licence if:

- ▼ they produce, store or process shellfish, as defined under the Seafood Safety Scheme<sup>325</sup>
- ▼ they are a “seafood business”, carrying on any of the following activities:<sup>326</sup>
  - the culture, harvesting or collecting of shellfish
  - the depuration of shellfish
  - the cultivating of spat.

The cultivation of spat involves growing immature oysters.

The NSW Food Authority notes that licensing under the *Food Regulation 2010* is used to ensure that a business has the capacity to produce safe food before the food is supplied to market.<sup>327</sup>

The results of our licence survey of NSW Government agencies indicate that there were 282 seafood licences (shellfish harvester) ‘in force’ on 30 June 2012. The total licence revenue collected in NSW during the 2011/12 financial year for this licence type was about \$464,000.

### Issues raised in submissions

Mr Funnell, an oyster farmer in Brisbane Waters, raised an objection to the requirement to hold a Food Authority Licence to cultivate spat.<sup>328</sup> Mr Funnell considers that:

- ▼ The cultivation of spat poses no risk to public health and safety, as it may not be harvested or consumed as food. Mr Funnell may only sell the spat onto another licensed oyster farmer for on-growing for a period of at least 60 days.
- ▼ The Food Authority Licence for cultivation of spat overlaps with an Aquaculture Permit issued under the *Fisheries Management Act 1994*, which permits the holder to cultivate oysters over the area covered by an aquaculture lease.

<sup>325</sup> *Food Regulation 2010* (NSW), clause 111 and Part 4.

<sup>326</sup> *Ibid.*, clause 116 and Part 4.

<sup>327</sup> NSW Food Authority (undated), *Application for a Seafood Licence – Shellfish Cultivation or Harvest*, [http://www.foodauthority.nsw.gov.au/\\_Documents/licence\\_forms\\_2010/LIC008\\_shellfish\\_harvester.pdf](http://www.foodauthority.nsw.gov.au/_Documents/licence_forms_2010/LIC008_shellfish_harvester.pdf), accessed 15 July 2013.

<sup>328</sup> Funnell, S. submission to IPART, 12 December 2012.

### IPART analysis

The NSW Government should review the need for a licence to cultivate spat, given the risks this licence is seeking to address and other regulatory requirements. In doing so, it should assess the licence using the Licensing Framework.

#### Recommendation

- 19 The NSW Government should, by the end of 2015, evaluate the need for a licence to cultivate spat (administered by the NSW Food Authority), including the level of licence fees, using the Licensing Framework.

NSW Trade & Investment commented that the NSW Government *has accepted the draft recommendation*. For this Final Report, we have extended the timeline for review until the end of 2015.

The NSW Food Authority will use the Licensing Framework to assess the need for a licence to cultivate spat. It will also consult with the industry on broader potential implications of the recommendation if the licensing option is removed. Any legislative changes will be dealt with through the *Food Regulation 2010* statutory review process in 2015.<sup>329</sup>

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<sup>329</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

### 6.1.8 Liquor licences

A range of licences may be granted under the *Liquor Act 2007*, which authorise the holder to sell or supply liquor in accordance with that Act and the conditions of the licence. These licences include:<sup>330</sup>

- ▼ hotel licence
- ▼ club licence
- ▼ on-premises licence
- ▼ packaged liquor licence.

The Independent Liquor and Gaming Authority (ILGA) is the independent statutory authority responsible for performing casino, liquor and gaming machine regulatory and other decision-making functions on behalf of the NSW Government. The ILGA is independent from Ministerial direction and control. The Office of Liquor, Gaming and Racing (OLGR) provides administrative support to the ILGA<sup>331</sup> and is accountable for the development, implementation and integrity of the overall regulatory framework across alcohol, licensed clubs, charitable fundraising and gambling activities in NSW.<sup>332</sup>

The number of licences 'in force' on 30 June 2012 and the total licence revenue collected during the 2011/12 financial year for liquor licences in NSW are presented in Table 6.2.

**Table 6.2** Liquor licences

Licence type	Number of licences in force (30 June 2012)	Number of new licences (2011/12)	Total licence revenue (\$) (2011/12)
Hotel Licence (Liquor) - Full hotel	2,097	3	6,000
Hotel Licence (Liquor) - General bar	80	29	14,500
Club Licence (Liquor)	1,421	0	-
On-Premises Licence	8,020	490	245,000
Packaged Liquor Licence	2,127	126	189,000
Producer/Wholesale Liquor Licence	1,941	113	56,500

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

<sup>330</sup> *Liquor Act 2007* (NSW), Part 3.

<sup>331</sup> NSW Trade & Investment, Office of Liquor, Gaming & Racing (undated), *About us – Independent Liquor and Gaming Authority*, [http://www.olgr.nsw.gov.au/liquor\\_ILGA.asp](http://www.olgr.nsw.gov.au/liquor_ILGA.asp), accessed 15 July 2013; and Transcript, public roundtable discussion, 12 February 2013, pp 23-24.

<sup>332</sup> NSW Trade & Investment, Office of Liquor, Gaming & Racing (undated), *About us*, [http://www.olgr.nsw.gov.au/about\\_us\\_home.asp](http://www.olgr.nsw.gov.au/about_us_home.asp), accessed 11 July 2013.

It should be noted that a new risk-based licence fee scheme for liquor licences commenced in July 2014. Under this new scheme, the licensee of each licensed premises in NSW will be required to pay an annual fee to the NSW Government.<sup>333</sup>

### Issues raised in submissions

The Liquor Stores Association (LSA) raised concern with the length of time taken to process liquor licence applications. The LSA noted that the OLGR has no apparent times for liquor licence applications to be determined.<sup>334</sup>

A respondent to our *Have your say* survey also commented that retail convenience stores should be able to sell a limited range of packaged alcohol during restricted hours, consistent with the activities of convenience stores around the world.<sup>335</sup>

### IPART analysis

We assessed the major liquor licences as part of our analysis of ‘significant’ licences. The total policy score (0.49) for these licences is above the median, suggesting scope for reform. Potential reform areas are licence duration, conditions and administration.

The Government has recently completed a five-year statutory review of the *Liquor Act 2007* and the *Gaming and Liquor Administration Act 2007*.<sup>336,337</sup> The review aimed to assess whether the objectives of the Acts were still appropriate, and whether the provisions of the legislation supported those objectives. In December 2013, NSW Trade & Investment released a report on the statutory review.<sup>338</sup>

The report to the Government indicated that while the wider objectives of the legislation were still appropriate, certain provisions should be enhanced to achieve better outcomes.

<sup>333</sup> NSW Trade and Investment, Office of Liquor, Gaming and Racing (2014), *New risk-based licence fees for NSW*, [http://www.olgr.nsw.gov.au/risk\\_based\\_licence\\_fee.asp](http://www.olgr.nsw.gov.au/risk_based_licence_fee.asp), accessed 24 April 2014.

<sup>334</sup> Liquor Stores Association submission to IPART, December 2012.

<sup>335</sup> Comment provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>336</sup> Office of Liquor, Gaming and Racing, *Submissions called for liquor legislation reviews*, July 2013, at [http://www.olgr.nsw.gov.au/pdfs/media\\_releases/rel\\_130705\\_legislation\\_reviews.pdf](http://www.olgr.nsw.gov.au/pdfs/media_releases/rel_130705_legislation_reviews.pdf), accessed 17 October 2013.

<sup>337</sup> NSW Trade & Investment, Office of Liquor, Gaming & Racing (2014), *NSW Government response to the statutory review of the Liquor Act 2007 and the Gaming and Liquor Administration Act 2007*, August 2014, [http://www.olgr.nsw.gov.au/pdfs/GovernmentResponse\\_StatutoryReview\\_LA\\_GALAA.pdf](http://www.olgr.nsw.gov.au/pdfs/GovernmentResponse_StatutoryReview_LA_GALAA.pdf), accessed 2 September 2014.

<sup>338</sup> NSW Trade & Investment (2013), *Statement from the Independent Review Chairman*, [http://www.olgr.nsw.gov.au/pdfs/MFoggo\\_ReviewStatement.pdf](http://www.olgr.nsw.gov.au/pdfs/MFoggo_ReviewStatement.pdf), accessed 17 January 2014.



The report's 91 recommendations focus on three key regulatory reform areas: greater transparency, improved efficiency, and the promotion of a targeted, risk-based approach to enforcement and compliance.<sup>339</sup>

The Government's response to the five-year review was tabled in August 2014. It supported 89 of the report's 91 recommendations, including the introduction of a risk-based licence fee scheme.<sup>340</sup> There are several recommendations related to improving licence administration and fee setting, supported by the Government. The Government will need to make amendments to the *Liquor Act 2007* and the *Liquor Regulation 2008* to implement these recommendations.<sup>341</sup>

We acknowledge that the review has addressed a number of issues, including, the Act's objectives, employing a risk-based approach and fee setting. However, we consider that, once the recommendations have been implemented, it would be useful to assess the liquor licences under the *Liquor Act 2007* using the Licensing Framework, with a focus on the identified potential reform areas of licence duration, conditions and administration.

#### Recommendation

- 20 The NSW Government should, by the end of 2015, evaluate the licences under the *Liquor Act 2007* (administered by the Office of Liquor Gaming and Racing) using the Licensing Framework, with a particular focus on licence duration, conditions and administration.

NSW Trade and Investment in its submission notes that the NSW Government supports the draft recommendation. For this Final Report, we have extended the timeline for review until the end of 2015. As part of the statutory review of the *Liquor Act 2007* and the *Gaming and Liquor Administration Act 2007*, the On-Premise Licence will be assessed using the IPART Licensing Framework, focussing on the identified potential reform areas of licence duration, conditions and administration. This work will be undertaken during 2014.<sup>342</sup>

### 6.1.9 Liquefied Petroleum Gas distributor licences

The primary policy objectives in regulating gas supply, distribution and reticulation in NSW are safety of supply and protection of consumers.

<sup>339</sup> Ibid.

<sup>340</sup> NSW Trade & Investment, Office of Liquor, Gaming & Racing (2014), Ministerial media release, *Government response to Liquor Act Review: Striking the right balance*, 6 August 2014, [http://www.olgr.nsw.gov.au/pdfs/media\\_releases/2014-08-06-GovernmentResponse\\_LiquorActReviewStrikingRightBalance.pdf](http://www.olgr.nsw.gov.au/pdfs/media_releases/2014-08-06-GovernmentResponse_LiquorActReviewStrikingRightBalance.pdf), accessed 2 September 2014.

<sup>341</sup> NSW Trade & Investment, Office of Liquor, Gaming & Racing (2014), *NSW Government response to the statutory review of the Liquor Act 2007 and the Gaming and Liquor Administration Act 2007*, August 2014, [http://www.olgr.nsw.gov.au/pdfs/GovernmentResponse\\_StatutoryReview\\_LA\\_GALAA.pdf](http://www.olgr.nsw.gov.au/pdfs/GovernmentResponse_StatutoryReview_LA_GALAA.pdf), accessed 2 September 2014.

<sup>342</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

For distribution and supply of Liquefied Petroleum Gas (LPG), these objectives are met through:

- ▼ safety regulation of LPG networks by NSW Trade & Investment under the *Gas Supply Act 1996* (GS Act) and *Gas Supply (Safety and Network Management) Regulation 2008*
- ▼ regulation of gas connections and installations by NSW Fair Trading under the *Gas Supply (Consumer Safety) Regulation 2004*
- ▼ regulation of appliances and installations located in a workplace and operating at a pressure greater than 200kpa by WorkCover NSW under the *Occupational Health and Safety Act 2000*
- ▼ licensing of LPG distributors by the Minister for Resources and Energy under the GS Act (administered by IPART).

The GS Act provides that a person may not operate a distribution system for the purpose of conveying LPG to any other person without a distributor's licence.<sup>343</sup>

IPART administers LPG licences (and other gas authorisations) on behalf of the Minister for Resources and Energy. NSW Trade & Investment is the technical and safety regulator for all types of gas under the *Gas Supply (Safety and Network Management) Regulation 2008*. There are 5 licenced LPG distributors in NSW.

There were 5 LPG licences 'in force' in NSW on 30 June 2012 and a total of \$1,000 in licence revenue collected during the 2011/12 financial year for this licence type.

### IPART analysis

This licence was not identified by stakeholders, but rather by our own internal application of the Licensing Framework to this licence that we administer.

Unlike the supply of natural gas in NSW, which occurs in a competitive market, there is effectively no competition in the supply of LPG to NSW customers. In addition, LPG is considered a 'fuel of choice'. Electricity can be a substitute for LPG, albeit an imperfect one – as customers would need to purchase new electric appliances to replace those powered by LPG. This is a minor barrier to change. Customers can therefore exercise choice if they are dissatisfied with their LPG supply.

The objectives of the GS Act include:<sup>344</sup>

- ▼ encouraging the development of a competitive market in gas
- ▼ protecting the interests of customers and to promote customer choice in relation to gas supply (including facilitating continuity of supply)

<sup>343</sup> *Gas Supply Act 1996* (NSW), section 34.

<sup>344</sup> *Gas Supply Act 1996* (NSW), section 3.

- ▼ promoting the safe operation of gas distribution pipelines, distribution systems and safe use of gas.

The Minister for Resources and Energy may impose a number of conditions on a licence including supply districts, technical or prudential criteria and insurance cover in respect of specified risks.<sup>345</sup>

All gas network operators are required to prepare Safety and Operating Plans, which govern their operations and are annually audited by an independent auditor to assess performance against the Plan. NSW Trade & Investment, the technical and safety regulator for gas supply industry, has reported that this process has been effective in providing safe and reliable gas networks, with no public or network worker fatalities on any gas network since 1997.<sup>346</sup> This safety regulation therefore effectively addresses the most significant objective of LPG licensing.

It is not clear that licensing of LPG distributors is still required to achieve the policy objectives. Rather, imposing conduct requirements through regulation may be more appropriate to address any remaining policy objectives.

NSW Trade & Investment supports IPART's recommendation to abolish the licence, but notes that amendments to the *Gas Supply Act 1996* would be required to capture the technical and safety requirements for LPG networks.<sup>347</sup>

NSW Trade & Investment also suggests that this approach could be applied to the Natural Gas Reticulator's Authorisation (licence 28 on our 'Top 40' priority licences list, see Table 5.1), as electricity can be a substitute for all gas, that is, LPG and natural gas are a 'fuel of choice'.<sup>348</sup> We also note that the regulation of network safety can be achieved by amending the Act or Regulation as opposed to a licensing requirement.

In submissions received in response to our Draft Report, stakeholders were divided in their views on our recommendation to abolish the LPG distributor licence and natural gas reticulator's authorisation:

- ▼ Envestra and Jemena oppose the recommendation and consider that abolishing the licences could:
  - result in potential safety implications
  - affect the rights and obligations of current authorisation and licence holders.<sup>349</sup>

<sup>345</sup> Ibid., section 40.

<sup>346</sup> NSW Trade & Investment, *2011-2012 NSW Gas Networks Performance Report*, p 5.

<sup>347</sup> As per letter received from NSW Trade & Investment dated 19 June 2013.

<sup>348</sup> Ibid.

<sup>349</sup> Envestra Ltd - Mignone, R., submission to IPART, 20 June 2014, Jemena Gas Networks NSW Ltd - Tudehope, W., submission to IPART, 23 June 2014.

- ▼ NSW Trade & Investment and Origin Energy both support the draft recommendation on the basis that the key objectives of the LPG licensing regime are met through the requirements of the *Gas Supply (Safety and Network Management) Regulation 2013*.
  - NSW Trade & Investment indicates in its submission that the NSW Government *accepts our recommendation*. NSW Trade & Investment has also indicated that there will be a need for transitional provisions in the amending Bill to ensure that relevant rights are preserved if our recommendation is implemented. NSW Trade & Investment also consider that adequate consumer protections will be provided by the Australian Consumer Law and the National Energy Retail Rules.<sup>350</sup>
  - Origin Energy believes that the current legislative requirements amply meet the objectives of the licensing regime, whilst ensuring high safety standards, and will continue to do so once the regime has been removed.<sup>351</sup>

In addition, as indicated in Chapter 3, we applied the Licensing Framework and Guide to assess the LPG distribution licence (administered by IPART). The LPG distribution licence assessment report was published in August 2014 and consists only of an assessment of the licence through Stage 1 of the Licensing Framework as the assessment demonstrated that licensing of LPG distributors is not appropriate. We found that in the absence of the LPG distributor licence, the licence's policy objectives would be achieved through existing legislation with some minor gaps that could be addressed through legislative amendment.

We maintain our recommendation to abolish the LPG distributor licence and natural gas reticulator's authorisation. For this Final Report, we have extended the timeline until the end of 2015.

#### Recommendation

- 21 The NSW Government should, by the end of 2015, abolish the LPG distributor licence and natural gas reticulator's authorisation (administered by IPART on behalf of the Minister for Resources and Energy).

#### 6.1.10 Responsible service of alcohol (RSA) and responsible conduct of gaming (RCG) certification

NSW liquor laws<sup>352</sup> require various classes of people involved in the supply and service of alcohol to undergo RSA training to obtain recognised RSA certification. RSA training may only be undertaken by an approved training provider.

<sup>350</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014 and personal communication, Adrian Amey, NSW Trade & Investment, Email to IPART, 7 August 2014.

<sup>351</sup> Origin Energy - MacMillan, S., submission to IPART, 7 July 2014.

<sup>352</sup> *Liquor Act 2007* (NSW) and *Liquor Regulation 2008* (NSW).

Similar requirements apply under the *Gaming Machines Act 2001* and *Gaming Machines Regulation 2010* for hoteliers, club secretaries and staff who have gaming machine related functions. They must undergo RCG training to obtain recognised RCG certification.

Following changes introduced in August 2011, graduates of approved RSA and RCG courses in NSW must obtain a photo competency card from a participating Australia Post outlet.<sup>353</sup>

The results of our licence survey of NSW Government agencies indicate that there were about 91,000 RSA/RCG competency cards 'in force' in NSW on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$6.4 million.

### Issues raised in submissions

The Australian Hotels Association (NSW) (AHA) and the Restaurant & Catering Association (R&CA) argued that the current arrangements for RSA and RCG graduates to obtain photo competency cards are inefficient. They also impose a higher burden on graduates in regional and rural areas, who may need to travel significant distances to an Australia Post outlet that is able to issue a photo competency card.

The AHA and R&CA claim that the photo competency card arrangements were introduced to reduce the risk of fraud associated with certificates and improve the administration and record-keeping arrangements for trading licensees. They consider that these objectives could be achieved more efficiently and suggest that accredited training organisations should produce and issue photo competency cards, using either:

- ▼ the established '100-point' check to establish proof of identity, or
- ▼ a certified copy of a student's photo identification.<sup>354</sup>

### IPART analysis

We assessed the RSA/RCG photo competency card as part of our analysis of 'significant' licences. The total policy score (0.23) was below the median. However, it indicated there may be scope for improvements to licence conditions, the fee setting mechanism and administration. The comments of the AHA and R&CA also suggest that there may be scope to improve the RSA and RCG photo competency card arrangements.

<sup>353</sup> NSW Trade & Investment, Office of Liquor, Gaming & Racing, (undated), *Competency Card*, <http://www.olgr.nsw.gov.au/photocard.asp>, accessed 15 July 2013.

<sup>354</sup> Australian Hotels Association (NSW) supplementary submission to IPART, 14 February 2013; Restaurant & Catering Industry Association supplementary submission to IPART, 21 February 2013.

In December 2013, NSW Trade & Investment released a report on the statutory review of the *Liquor Act 2007* (NSW) and the *Gaming and Liquor Administration Act 2007* (NSW). This review aimed to assess whether the objectives of the Acts are still appropriate, and whether the provisions of the legislation support those objectives.<sup>355</sup> A submission to the review raised the issue of the expiry date for the RSA/RCG photo competency card. Whilst the RSA/RCG photo competency card can include both RSA and RCG competencies, the card only has one expiry date which falls five years after the first competency was gained.<sup>356</sup>

NSW Trade & Investment confirmed that the Office of Liquor Gaming and Racing will be reviewing the processes involved in issuing the RSA/RCG photo competency card, including the services associated with the issuing of photo competency cards, during 2014.<sup>357</sup>

This is when the contractual arrangements with Australia Post for processing competency cards expire.<sup>358</sup> In addition, Australia Post coverage in regional and remote areas has been improved over the last 18 months. There are now over 150 participating post offices (previously there were only 47) that can process an application for a RSA/RCG photo competency card.<sup>359, 360</sup>

Furthermore, OLGR does not support the view that registered training organisations should produce and issue RSA/RCG photo competency cards as:

- ▼ a large number of students complete training in an online environment, raising concerns about identity checking
- ▼ infrastructure costs would have to be borne by the registered training organisations.<sup>361</sup>

In light of NSW Trade & Investment's recent review and the upcoming review of the processes around issuing the RSA/RCG photo competency card, we have not made a specific recommendation in relation to this licence. However, we do consider that, as part of future review of the RSA/RCG photo competency card, ways to address the expiry date issue should be further investigated.

<sup>355</sup> NSW Trade & Investment (2013), *Statement from the Independent Review Chairman*, [http://www.olgr.nsw.gov.au/pdfs/MFoggo\\_ReviewStatement.pdf](http://www.olgr.nsw.gov.au/pdfs/MFoggo_ReviewStatement.pdf), accessed 17 January 2014.

<sup>356</sup> NSW Trade & Investment (2013), *Report on the statutory review of the Liquor Act 2007 and the Gaming and Liquor Administration Act 2007*, [http://www.olgr.nsw.gov.au/pdfs/Review\\_LA\\_GALAA\\_NOV2013.pdf](http://www.olgr.nsw.gov.au/pdfs/Review_LA_GALAA_NOV2013.pdf), accessed 17 January 2014.

<sup>357</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

<sup>358</sup> Ibid.

<sup>359</sup> Ibid.

<sup>360</sup> As per letter received from the NSW Department of Trade & Investment to IPART, 31 May 2013.

<sup>361</sup> Ibid.

### 6.1.11 Security licences

The performance of security activities in NSW is governed by the *Security Industry Act 1997* and *Security Industry Regulation 2007*. These laws establish three classes of security licences, with further subclasses that establish the type of security activities the licence holder is authorised to carry out. They also establish mandatory attributes for security licences holders such as:

- ▼ age limits (must be at least 18 years of age)
- ▼ good character (must be fit and proper and meet criminal history and conflict of interest standards)
- ▼ competency and experience (as approved by the Commissioner of Police)
- ▼ training requirements (must have undertaken and completed the requisite training, assessment and instruction required for the class of licence sought).

The Security Licensing & Enforcement Directorate of NSW Police is responsible for administration of the security licensing regime in NSW.<sup>362</sup>

The number of licences 'in force' on 30 June 2012 for security licence types in NSW are presented in Table 6.3. Total licence revenue collected during the 2011/12 financial year for the Master security licence type in NSW was \$880,100.

**Table 6.3 NSW security licences**

Licence type	Number of licences in force (30 June 2012)
Security Industry – Class 2 Licence	7,171
Security Industry – Master Licence	4,011
Security Industry – Class 1 Licence	31,829
Commercial Agent and Private Inquiry Agent - Master Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	1,233
Commercial Agent and Private Inquiry Agent - Operator Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	2,905
Security Industry - Provisional Licence	5,049

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

<sup>362</sup> NSW Police Force (2012), *Security Licence*, [http://www.police.nsw.gov.au/services/security\\_licensing\\_and\\_enforcement\\_directorate/security\\_licence](http://www.police.nsw.gov.au/services/security_licensing_and_enforcement_directorate/security_licence), accessed 15 July 2013.



### Issues raised in submissions

The Office of the Small Business Commissioner (OSBC) noted in response to our Issues Paper that a new schedule of fees for security guard licences under the *Security Industry Act 1997* took effect on 1 November 2012. Fees have significantly increased for Master Licence categories, in some instances by over 500%. The Security Licensing and Enforcement Directorate, which administers this licence, has validated this increase on a risk-based compliance and enforcement model and cost-recovery basis. According to the OSBC, such an increase is not viable for many industry players.<sup>363</sup>

A response to our *Have your say* survey also commented that security licences should be registered under a national regime.<sup>364</sup>

In response to our Draft Report, the OSBC has also raised that the coverage of the Security Industry licence under the *Security Industry Act 1997* is beyond the minimum necessary. The OSBC provided an example of businesses requiring security licences to sell bollards. In this instance, the OSBC states that there is no underlying rationale for licensing the sale of bollards. It is also possible that sellers of other types of security equipment may also be inadvertently captured by the *Security Industry Act*.<sup>365</sup>

### IPART analysis

The Security Industry licence was assessed as part of our analysis of ‘significant’ licences. Its total policy score (0.22) is well below the median, which suggests there is limited scope for reform of this licence’s design and administration. Further, if the increase in fees does reflect a move to risk-based enforcement and recovery of efficient regulatory costs, then such an increase would be justified.

We recognise there may be merit in pursuing a national registration regime for security licences, which would allow licensees to operate across States and Territories. However, to develop such a scheme would likely require significant cooperation and coordination by law enforcement agencies across the country.

We have consulted with the Ministry for Police and Emergency Services regarding the OSBC’s concerns. The Ministry for Police and Emergency Services has advised that it is due to review the *Security Industry Regulation 2007* in 2015. As part of this review process, it will consider whether there is scope for providing an exemption related to the sale of bollards or other security equipment. In undertaking this review, we consider that the NSW Ministry for Police and Emergency Services should apply our Licensing Framework, where relevant, to ensure that the scope is appropriate.

<sup>363</sup> Office of the Small Business Commissioner, submission to IPART, 12 December 2012, p 5.

<sup>364</sup> Comment provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>365</sup> Office of the Small Business Commissioner, submission to IPART, 3 July 2014, p 6.



### 6.1.12 Stock and station agents

A stock and station agent's licence is required under the *Property, Stock and Business Agents Act 2002* to perform certain work, including:<sup>366</sup>

- ▼ performing a livestock transaction
- ▼ negotiating with a view to inducing a person to enter into a livestock transaction
- ▼ providing agistment for livestock or collecting fees for the agistment of livestock.

Stock and station agent licences are issued by NSW Fair Trading to persons who have attained a Certificate IV in Property Services (Stock and Station Agency) from a registered training organisation.<sup>367</sup>

This licence was previously being considered as part of the first wave of licences being reviewed by the National Occupational Licensing Authority (NOLA) for potential national licensing. However, in December 2013, COAG announced that the NOLA would be disbanded and that the states and territories will now work with the Council for the Australian Federation to develop alternative options to national licensing.<sup>368</sup>

The number of licences 'in force' in NSW on 30 June 2012 for stock and station licence types are presented in Table 6.4. No revenue data was provided by NSW Fair Trading in its response to our licence survey of NSW Government agencies.

**Table 6.4 Stock and station licences in NSW**

Licence type	Number of licences in force (30 June 2012)
Stock and Station Agent	2,796
Certificate of Registration as a Stock and Station Salesperson	3,616

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

<sup>366</sup> *Property, Stock and Business Agents Act 2002* (NSW), sections 3 and 8.

<sup>367</sup> NSW Fair Trading (2013), *Qualifications*, [http://www.fairtrading.nsw.gov.au/ftw/Property\\_agents\\_and\\_managers/Qualifications.page?](http://www.fairtrading.nsw.gov.au/ftw/Property_agents_and_managers/Qualifications.page?) accessed 15 July 2013.

<sup>368</sup> National Occupational Licensing Authority (NOLA) (2013), *NOLA*, <http://nola.gov.au/>, accessed 23 December 2013.

### Issues raised in submissions

NOLA had previously advised that stock and station agents are currently licensed only in NSW, Queensland and the ACT. It also noted that general consumer protection legislation, criminal law (in relation to theft) and primary industries legislation (in relation to health of stock) also regulate this area.<sup>369</sup>

The Real Estate Institute of NSW expressed strong opposition to the notion that licensing requirements for the sale, purchase and auction of livestock be removed.<sup>370</sup>

### IPART analysis

We assessed the stock and station agent licence as part of the 'significant' licences analysis. Its total policy score (0.59) was above the median, suggesting scope for licence reform across licence duration, conditions, the fee setting mechanism, enforcement and administration. However, apart from reviewing the licences' design and administration, we consider there is also a case that the licence is unnecessary, particularly given:

- ▼ several other states do not have this licence in place
- ▼ generic legislation (consumer law, criminal law and primary industries legislation) regulates this area.

As indicated above and discussed in Chapter 5, this is one of nine property agent licences that had been targeted for reform by COAG. Given this, we have not made a specific recommendation in relation to this licence.

#### 6.1.13 Travel agent licences

Currently in NSW, any individual or corporation who carries on business as a travel agent must be licensed. Travel agents are intermediaries. They facilitate transactions between the consumer and travel service suppliers, in exchange for commission or profit.

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<sup>369</sup> Pers Comm, National Occupational Licensing Authority to IPART, 18 February 2013.

<sup>370</sup> Real Estate Institute of NSW, submission to IPART, December 2012.

The existing framework for regulating travel agents is a National Scheme.<sup>371</sup> All jurisdictions have enacted legislation containing uniform provisions. In NSW, the mandatory attributes and conduct requirements for travel agents are outlined in the *Travel Agents Act 1986*, including:

- ▼ a compulsory licensing scheme, mandatory training, initial application fees and membership renewal fees
- ▼ compulsory participation in the Federal Government administered Travel Compensation Fund (TCF), to be paid out to consumers who lose prepayment as a result of agent insolvency or misconduct.

The results of our licence survey of NSW Government agencies indicate that there were about 1,400 travel agent licences 'in force' in NSW on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$730,000.

We also assessed the travel agent licence as part of our analysis of 'significant' licences. The total policy score (0.35) was below the median. However, it indicated there may be scope for improvements to licence conditions.

### Issues raised in submissions

Responses to our *Have your say* survey commented on travel agent licences. Box 6.2 contains a selection of these comments.

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#### **Box 6.2     *Have your say* comments on travel agent licences**

- ▼ The travel agent's licence is too rigid. For example, even though a particular online travel agent does not sell air fares, it must have qualifications in airline ticketing to qualify for the licence.
- ▼ The travel compensation fund is very expensive and doesn't seem fair to those who run a successful business.
- ▼ The reporting obligations under the travel agent licence are too onerous.

**Source:** Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

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### PwC case study and IPART analysis

PwC prepared a case study on travel agent licensing, to assess and demonstrate the Licensing Framework. The full case study is presented in Appendix E to the Licensing Guide.<sup>372</sup>

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<sup>371</sup> *Participation Agreement for the Co-operative Scheme for the Uniform Regulation of Travel Agents*.

<sup>372</sup> PwC Licensing Guide, p 132.

PwC notes that since implementation of the National Scheme:

...improvements in technology and the internet have changed the nature of the travel industry. Consumers now have more access to information, reducing the need for travel agents to act as 'gate-keepers' to travel service providers. Increasingly, consumer transactions are outside the scope of the existing regulatory scheme, as its coverage is limited to agents. Online and international agents have also entered the market, bypassing licensing controls.<sup>373</sup>

A transition plan has been agreed for deregulation of the travel agency industry in Australia. This plan is based on the change in risk profile of travel agents and the availability of generic remedies through the Australian Consumer Law (ACL).

The COAG Legislative and Governance Forum on Consumer Affairs released the transition plan for the travel industry in December 2012.<sup>374</sup> It proposes to move to self-regulation of the travel industry and:

- ▼ repeal the travel agents legislation, to reduce the burden associated with travel regulation
- ▼ increase reliance on generic consumer protection legislation, corporations laws, industry-specific remedies and oversight mechanisms, such as the ACL
- ▼ phase out the TCF and associated auditing, licensing and annual fee requirements.

Under this plan, financial supervision provided by the TCF should be removed in 2013 and travel agents' legislation should be repealed by mid-2014.

We support abolition of the travel agent licence, in line with COAG's plan for transition to self-regulation of the travel industry.

#### Recommendation

- 22 The NSW Government should abolish travel agent licences in line with the COAG Legislative and Governance Forum on Consumer Affairs' Travel Industry Transition Plan for transition to self-regulation of the travel industry.

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<sup>373</sup> Ibid., p 133.

<sup>374</sup> COAG, Legislative and Governance Forum on Consumer Affairs, *Travel Industry Transition Plan*, 2012.

On 20 May 2014, the *Travel Agents Repeal Bill 2013* (NSW) was assented to.<sup>375</sup> The bill repeals the *Travel Agents Act 1986* (NSW) and the *Travel Agents Regulation 2011* (NSW) in accordance with the Travel Industry Transition Plan. In particular, the bill *abolishes travel agent licences and the TCF*, supporting a move to a voluntary industry accreditation scheme from mid-2014.<sup>376</sup>

#### 6.1.14 Vehicle licence – taxi

There are numerous different types of taxi licence. They vary by tenure (perpetual, annual or short-term) and conditions of use (eg, valid for a specified geographic area, must give preference to wheelchair clients, can only be used during specified hours, unrestricted hours). Taxi licences have been issued in various ways over the years. Many, but not all, of the existing licences can be traded on the secondary market.

RMS issues taxi-cab vehicle licences under the *Passenger Transport Act 1990* (PT Act) as follows:

- ▼ Wheelchair-Accessible Taxi licences are issued on demand for \$1,000 in urban areas or for free in country areas, and
- ▼ Transferable ordinary licences for areas outside Sydney are issued on demand at the current value as determined by RMS.

Transport for NSW determines, before 31 March each year, the number of new annual taxi licences that will be issued by tender in Sydney during the following financial year.<sup>377</sup>

The results of our licence survey of NSW Government agencies indicate that there were about 7,000 taxi-cab licences ‘in force’ in NSW on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$12.8 million.

#### Issues raised in submissions

An anonymous submission argued that taxi vehicle licences do not benefit customers or drivers. This respondent considers that either more taxi plates should be released or the area deregulated.<sup>378</sup>

<sup>375</sup> Parliament of NSW, *Travel Agents Repeal Bill 2013*, <http://www.parliament.nsw.gov.au/prod/parlment/nswbills.nsf/0/35A4D32BD8D2A0B8CA257C210016D269>, accessed 20 August 2014.

<sup>376</sup> Parliament of NSW, *Travel Agents Repeal Bill 2013 – Second Reading*, [http://www.parliament.nsw.gov.au/prod/parlment/nswbills.nsf/0/35a4d32bd8d2a0b8ca257c210016d269/\\$FILE/2R%20Travel%20Agents.pdf](http://www.parliament.nsw.gov.au/prod/parlment/nswbills.nsf/0/35a4d32bd8d2a0b8ca257c210016d269/$FILE/2R%20Travel%20Agents.pdf), accessed 20 August 2014.

<sup>377</sup> *Passenger Transport Act 1990* (NSW), section 32C.

<sup>378</sup> Anonymous submission to IPART, November 2012.

## IPART analysis

Taxi licensing arrangements have been reviewed many times over the past 25 years. In 2009, amendments were made to the PT Act to set up the current annual licence release arrangements for Sydney. Licensing arrangements have served to restrict the number of licences released and increase the value of taxi licences. As IPART stated when we undertook a review of the taxi industry in 1999:

...restricting the number of taxi licences...does not appear to generate any significant benefits for passengers, drivers or anyone working in the industry other than the licence owners.<sup>379</sup>

During 2012/13, IPART reviewed and made recommendations to Transport for NSW on how many new annual Sydney taxi licences should be released from 1 July 2013. A Final Report was provided to Transport for NSW in late February 2013.<sup>380</sup> Transport for NSW responded to IPART's recommendations by releasing 250 additional taxis with peak availability licences (PALs).<sup>381</sup>

During 2013/14, IPART reviewed maximum taxi fares and how many new annual Sydney taxi licences should be released from 1 July 2014. A Final Report was provided to Transport for NSW in late February 2014 recommending 150 additional unrestricted licences and 40 additional PALs to:

- ▼ meet increases in demand for taxi services
- ▼ improve service to customers
- ▼ make entry into the taxi market more affordable.<sup>382</sup>

Transport for NSW responded to IPART's recommendations by releasing 95 additional taxis with peak availability licences (PALs).

Given recent reviews and legislative amendments, we have not made a recommendation in relation to this licence type for this Final Report.

### 6.1.15 Water well drilling licences

The NSW Office of Water (NOW) has responsibility for managing groundwater in NSW. To protect this resource, there are requirements on accessing and drilling for groundwater under the *Water Act 1912*.

<sup>379</sup> IPART, *Review of the Taxi Cab and Hire Car Industries - Final Report*, November 1999, Foreword.

<sup>380</sup> IPART, *Annual taxi licence release for Sydney 2013/14 - Final Report*, February 2013.

<sup>381</sup> IPART, *Review of maximum taxi fares and review of annual Sydney taxi licences from July 2014 - Issues Paper*, October 2013, p19.

<sup>382</sup> IPART (2014), *Review of maximum taxi fares and review of annual Sydney taxis licences from July 2014*, p 1.

NOW notes that poor drilling practices and poorly constructed or failed bores can cause and contribute to groundwater misuse, wastage and degradation. This can occur through uncontrolled bore flow or contamination of aquifers via the borehole around the bore casing. Materials and surface water can also cause groundwater contamination through bore holes.<sup>383</sup>

The objective of licensing drillers is therefore to ensure:

- ▼ protection of the groundwater resource from contamination, deterioration and undue depletion
- ▼ long-term economic production of groundwater of the best possible quality.<sup>384</sup>

There are six classes of driller's licences in NSW, permitting various drilling activities. A driller's licence may also restrict its holder to a certain drilling method.<sup>385</sup>

The results of our licence survey of NSW Government agencies indicate that there were 320 driller's licences 'in force' in NSW on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$81,000.

### Issues raised in submission

The National Uniform Drillers Licensing Committee (NUDLC) noted there is a national uniform system for licensing water well drillers. This system is implemented as an agreement between the States and Territories.

The NUDLC submits that NSW has not adopted this agreement with the effect that NSW drillers' licences are not recognised by other States and Territories and vice versa. It argues that this imposes costs on licence applicants in terms of administration, compliance, delays, fees and charges.<sup>386</sup>

### IPART analysis

We assessed the Water access licence: Driller's licence as part of our analysis of 'significant' licences. Its total policy score (0.49) was above the median, suggesting scope for reform. Potential reform areas are licence duration, conditions and fee setting.

<sup>383</sup> Department of Primary Industries, Office of Water (2013), *Driller's licences*, <http://www.water.nsw.gov.au/Water-Licensing/About-licences/Driller-s-licences/Driller-s-licences/default.aspx>, accessed 11 July 2013.

<sup>384</sup> Ibid.

<sup>385</sup> Ibid.

<sup>386</sup> National Uniform Drillers Licensing Committee submission to IPART, November 2012.

We have also examined the NUDLC's submission and do not consider there is a strong argument for NSW to adopt the same licensing practices as other States and Territories from the point of view of reducing red tape. We understand there is no national licensing system. Rather, each jurisdiction has its own licence. The difference between NSW and other jurisdictions is in the assessment process required to obtain a licence. NSW has a one-step assessment process, whereas other jurisdictions have a two to three-step process. NSW drillers that wish to be licensed in other jurisdictions must undertake the additional assessment processes and obtain separate licences for each jurisdiction.

Aligning NSW water well drilling licences with other jurisdictions could increase costs to NSW drillers and impose additional burdens. The focus of our review is on reducing regulatory burdens created by licensing. On this basis, we do not make a recommendation to align NSW water well drilling licences with other jurisdictions.

NSW Trade & Investment in its submission agrees with IPART that there is not a strong argument for NSW to adopt the same licensing practices as other States. The Department's view is, however, that there are benefits to NSW drillers in aligning with other States in relation to some aspects of the licensing framework (such as licence classes). This would reduce the regulatory burden when drillers move to work in another State, which is relatively common for water bore drillers.<sup>387</sup>

All driller's licences are currently being transitioned from the *Water Act 1912* to the *Water Management Act 2000*.<sup>388</sup> The NSW Office of Water developed a revised framework that would streamline the licensing process, including reducing the number of licence classes from 6 to 3, aligning with the national driller's licence classes, and enabling drillers to renew their licence rather than the current process of having to apply for a new licence each three years.

Public consultation on this proposed revised framework was undertaken during the period from November 2013 to January 2014. It is anticipated the new driller's licensing framework under the *Water Management Act 2000* will commence by July 2015.

## 6.2 Other licences raised by stakeholders

This section presents analysis on five licences not on the priority list, and other licensing issues that were raised by stakeholders. These licences were not analysed as part of the 310 'significant' licences.

<sup>387</sup> NSW Trade & Investment - Paterson, M., submission to IPART, 4 July 2014.

<sup>388</sup> Ibid.



### 6.2.1 Air-conditioning and refrigeration licence

A licence from NSW Fair Trading issued under the *Home Building Act 1989* is required before any air-conditioning and/or refrigeration work can be undertaken in NSW. Air-conditioning and refrigeration work is defined in Clause 11 of the *Home Building Regulation 2004*.

A licence is required regardless of the cost of the work and regardless of whether the work is residential, commercial or industrial.<sup>389</sup>

Tradespeople and businesses handling refrigerants also need to obtain a Commonwealth Government refrigerant handling licence or authorisation through the Australian Refrigeration Council Ltd (ARC).

In June 2005, the ARC was appointed by the Commonwealth Minister for the Environment and Water Resources to administer the refrigeration and air conditioning aspects of the *Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995*. The ARC issues two types of ('Arctick') licences under this regulation:

- ▼ Refrigerant Trading Authorisation – a business level permit that allows a business to acquire, possess and dispose of refrigerants.
- ▼ Refrigerant Handling Licence – a technician level permit that allows a technician to do certain types of work on refrigeration and air conditioning systems.<sup>390</sup>

Both the NSW licence and Commonwealth licence and authorisation have identical training requirements.

Currently, only three jurisdictions (NSW, Queensland and Victoria) separately licence air-conditioning and refrigeration work and the licences are for different aspects of the work.<sup>391</sup>

<sup>389</sup> NSW Fair Trading (2012), *Air-conditioning and refrigeration*, [http://www.fairtrading.nsw.gov.au/Tradespeople/Home\\_building\\_licensing/Licence\\_classes\\_and\\_qualifications/Air\\_conditioning\\_and\\_refrigeration.html](http://www.fairtrading.nsw.gov.au/Tradespeople/Home_building_licensing/Licence_classes_and_qualifications/Air_conditioning_and_refrigeration.html), accessed 11 July 2013.

<sup>390</sup> Australian Refrigeration Council Ltd (undated), *Frequently Asked Questions*, [http://www.arctick.org/faq\\_main.php](http://www.arctick.org/faq_main.php), accessed 11 July 2013.

<sup>391</sup> Pers Comm, National Occupational Licensing Authority to IPART, 18 February 2013.

Air-conditioning and refrigeration licences were part of the NOLA's first wave of licences previously being considered for national licensing. NOLA was considering the issue of regulatory duplication with the Commonwealth ARC licence as part of its review.<sup>392</sup> However, in December 2013, COAG announced that the NOLA would be disbanded and that the states and territories will now work with the Council for the Australian Federation to develop alternative options to national licensing.<sup>393</sup>

Data on the number of licences and revenue associated with the air-conditioning and refrigeration licence were not provided by NSW Fair Trading in its response to our licence survey of NSW Government departments and agencies. However, it is reported elsewhere that there are approximately 12,700 refrigeration and air-conditioning licensees in those jurisdictions (NSW, Queensland and Victoria) that licence the occupation.<sup>394</sup>

### Issues raised in submissions

Some stakeholders, such as the Housing Industry Association and the Office of the Small Business Commissioner<sup>395</sup> indicate support for our recommendation to abolish the NSW air-conditioning and refrigeration licence. However, in its submission in response to our Draft Report, the Refrigeration and Air Conditioning Contractors' Association opposes the recommendation as it considers that the ARClick licensing scheme is limited in its scope as it is an environmental scheme only.<sup>396</sup>

Regulators have identified that there is an overlap in the NSW and Commonwealth air-conditioning and refrigeration licences and consider that in the absence of the NSW air-conditioning and refrigeration licence, there would be no gaps in legislation.<sup>397</sup>

<sup>392</sup> National Occupational Licensing Authority (2013), *National licensing of refrigeration and air-conditioning occupations*, <http://nola.gov.au/files/2013/03/FS2racm.pdf>, accessed 11 July 2013.

<sup>393</sup> National Occupational Licensing Authority (NOLA) (2013), *NOLA*, <http://nola.gov.au/>, accessed 23 December 2013.

<sup>394</sup> Council of Australian Governments' National Licensing Steering Committee, *Consultation Regulation Impact Statement – Proposal for national licensing for refrigeration and air-conditioning occupations*, September 2012, p x.

<sup>395</sup> Housing Industry Association - Rooke, L., submission to IPART, 4 July 2014, NSW Small Business Commissioner - Hobbs, R., submission to IPART, 3 July 2014.

<sup>396</sup> Refrigeration and Air Conditioning Contractors' Association - O'Shea, K., submission to IPART, 4 July 2014.

<sup>397</sup> Council of Australian Governments' National Licensing Steering Committee, *Consultation Regulation Impact Statement – Proposal for national licensing for refrigeration and air-conditioning occupations*, September 2012, p x.

In addition to the ARCTick licensing scheme, which deals with Australia's environmental treaty obligations, the current regulatory environment in relation to air-conditioning and refrigeration work in NSW has the following features:

- ▼ The Australian Consumer Law applies which provides consumer protections including, in particular circumstances, the consumer guarantees.
- ▼ The *Work Health and Safety Act 2011* specifies requirements for managing risks associated with all flammable refrigerants.
- ▼ The *Public Health Act 2010* also applies to this industry where there are cooling towers.
- ▼ Work must be undertaken in accordance with a range of Australian standards and the equipment manufacturer's advice.

The Decision Regulation Impact Statement (prepared in 2013 by the National Licensing Steering Committee) presented "no licensing" as the preferred option as it produced the highest net benefits for the community (ie, that there be no national or state and territory licensing of the refrigeration and air-conditioning occupation except for the Commonwealth ARCTick licensing scheme).<sup>398</sup>

The *Mutual Recognition (Automatic Licensed Occupations Recognition) Bill 2014* was passed by the NSW Parliament on 17 September 2014. This Bill proposed the removal of the requirement for a NSW air-conditioning and refrigeration licence, and instead creating a new category of specialist electrical wiring work for air-conditioning and refrigeration equipment. This would bring NSW into line with other jurisdictions and allow the industry to carry necessary electrical work in a safe manner.

### IPART analysis

We maintain our recommendation that the NSW Government should abolish the NSW air-conditioning and refrigeration licence. This is primarily because other regulation is in place to address the risks and objectives of this licence. This is in the form of:

- ▼ the Commonwealth's ARCTick licensing scheme - which enables the Australian Government to meet its obligations as a signatory to the Montreal Protocol 1999 for the phasing out of ozone depleting gases
- ▼ the Australian Consumer Law including the consumer guarantees
- ▼ dangerous goods, occupational health and safety, and public health legislation - which regulates the safety and public health risks associated with air-conditioning and refrigeration work.<sup>399</sup>

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<sup>398</sup> Ibid., p viii.

<sup>399</sup> Ibid., p ix & 22.

We also note there is a public register for ARCTick licence holders, providing assurances to consumers on the skills of the licence holder.<sup>400</sup>

#### Recommendation

**23** The NSW Government should, by the end of 2015, abolish the air-conditioning and refrigeration licence (administered by NSW Fair Trading).

### 6.2.2 Conveyancer licences

Conveyancing is legal work around transactions involving interests in real or personal property. This work may also be performed by legal practitioners.

A person who wishes to carry on business as a conveyancer must hold a conveyancer's licence issued by NSW Fair Trading. A corporation can also hold a conveyancer's licence. Conveyancers are regulated by the *Conveyancers Licensing Act 2003* (CL Act) and the *Conveyancers Licensing Regulation 2006*.

As NSW Fair Trading notes, the role of a conveyancer is very important. Buying or selling a home and making property investments are expensive and significant transactions for consumers. Conveyancers ensure the legality of a sale or purchase and safeguard the long term financial security and peace of mind of clients.<sup>401</sup>

Conveyancer licences are issued for 1 year, expiring on 30 June each year. Renewal of a licence is subject to the condition that a licence holder:

- ▼ is covered by professional indemnity insurance
- ▼ undertook CPD during the preceding year as required by NSW Fair Trading Director General's Guidelines for Continuing Professional Development for Conveyancers.

In addition to CPD, this regime establishes other mandatory attributes and competency requirements for conveyancers, including:

- ▼ age limit (must be at least 18 years of age)
- ▼ good character (must be fit and proper person to hold a licence and not be a "disqualified" person, as defined by the CL Act)
- ▼ qualification requirements (must hold an appropriate qualification)
- ▼ business attributes (must be covered by professional indemnity insurance).<sup>402</sup>

<sup>400</sup> Ibid., p 22.

<sup>401</sup> NSW Fair Trading (2013), *Licensing requirements*, [http://www.fairtrading.nsw.gov.au/Businesses/Specific\\_industries\\_and\\_businesses/Conveyancing/Licensing\\_requirements.html](http://www.fairtrading.nsw.gov.au/Businesses/Specific_industries_and_businesses/Conveyancing/Licensing_requirements.html), accessed 11 July 2013.

<sup>402</sup> Ibid.

Licence holders contribute to the Compensation Fund established under the *Property, Stock and Business Agents Act 2002* through payment of the licence application fee. This fund provides compensation to consumers affected by a licensee's failure to account for money or other property entrusted to them.

The number of conveyancer licences 'in force' in NSW on 30 June 2012 is presented in Table 6.5. No revenue data was provided by NSW Fair Trading in its response to our licence survey of NSW Government agencies.

**Table 6.5 Conveyancer licences in force at 30 June 2012**

Licence type	Number of licences in force (30 June 2012)
Conveyancer Licence (individual)	955
Conveyancer Licence (corporation)	90

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

### Issues raised in submissions

One submission to the Issues Paper raised concerns with the CPD requirement of the conveyancer licence. Mr Vandersluis suggested that occupational licences that are monitored through CPD declarations of licensees, such as the conveyancer licence, could be removed with the objective of licensing achieved through self-regulation.<sup>403</sup>

### IPART analysis

CPD requirements have been identified as a common source of unnecessary regulatory burden across a range of licences. CPD requirements can impose significant costs, particularly for small businesses, creating a barrier to entry. Other occupational licences in NSW with mandatory CPD requirements are building licences and real estate agents. There have been suggestions that the CPD requirements are often unnecessary, out of date, and unrelated to the objectives of the licence.<sup>404</sup> Section 7.3.1 discusses CPD requirements for occupational licences in more detail and makes a recommendation to conduct a broad review of continuing professional development conduct rules for all occupational licences.

In practice, compliance of licence holders with mandatory CPD requirements is difficult for regulators to enforce. Consequences of non-compliance for licence holders can be high, but the quality of the CPD is hard for regulators to ascertain. The Licensing Framework requires that conduct rules (including CPD) should be the minimum necessary and designed so as to minimise the cost to licensees and

<sup>403</sup> Vandersluis, G. submission to IPART, October 2012.

<sup>404</sup> For example, stakeholder responses to the *Have your say* survey related to building licences.

the regulator.<sup>405</sup> The CPD requirements for conveyancers should be assessed to ensure that they remain targeted, relevant and the minimum necessary to achieve the regulatory objective.

#### Recommendation

- 24 The NSW Government should review the Continuing Professional Development (CPD) requirements for conveyancers (administered by NSW Fair Trading) using the Licensing Framework. This could be achieved as part of the recommended broader review of CPD (as per recommendation 27).

### 6.2.3 Dangerous goods notification

Dangerous goods (hazardous chemicals) are substances or articles that present an immediate hazard to people, property or the environment. They include explosives; gases; flammable liquids; solids with a flammability hazard; oxidising substances; toxics; radioactive substances; corrosives and miscellaneous dangerous goods such as dry ice, molten bitumen and environmentally hazardous substances.<sup>406</sup>

WorkCover regulates their classification, packaging and labelling; with the Environment Protection Authority (EPA) regulating their transport.

The occupier of a site where dangerous goods are stored and handled in quantities that, in total, exceed or are likely to exceed quantities specified in Schedule 5 of the Occupational Health and Safety Regulation is required to notify WorkCover NSW of the presence of those dangerous goods.<sup>407</sup>

Notifications must be amended within 14 days if there are any changes to the type and quantity of goods stored on the site. Notifications and amendments must be lodged at a WorkCover office, faxed or posted to WorkCover.<sup>408</sup>

The results of our licence survey of NSW Government agencies indicate that the total licence revenue collected during the 2011/12 financial year for notifications of dangerous goods in NSW was about \$245,000. (Licence number data was not provided by WorkCover in its survey response.)

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<sup>405</sup> PwC Licensing Guide, p 53.

<sup>406</sup> As per a letter from the WorkCover Authority of NSW to IPART, 3 June 2013.

<sup>407</sup> WorkCover Authority of NSW (2012), *Dangerous goods – notifications*, <http://www.workcover.nsw.gov.au/licensing/notificationpermits/dangerousgoodsstorage/Pages/Dangerousgoodsonpremises.aspx>, accessed 11 July 2013.

<sup>408</sup> Ibid.

### Issues raised in submissions

The NSW Business Chamber's submission expressed concern that, in the administration of dangerous goods, the EPA and WorkCover are demanding excessive amounts of information and imposing long and intrusive inspections on companies that have a history of compliance.<sup>409</sup>

The Outdoor Recreation Industry NSW (ORIC) supports a review of the administration of dangerous goods notifications using the Licensing Framework.<sup>410</sup>

Respondents to our *Have your say* survey also commented that the costs of dangerous goods notifications are too high and that it should be possible to provide these notifications online.<sup>411</sup>

### IPART analysis

Stakeholder comments suggest that WorkCover should review its administration of dangerous goods, focusing on the notification and compliance processes.

As the Licensing Framework outlines, efficient and effective licence administration involves licence outcomes being achieved with the minimum necessary cost to regulators and licensees. A risk-based approach to monitoring and enforcing compliance is important.<sup>412</sup> Offering electronic and online transactions is also a key consideration when assessing the efficiency of a licensing scheme's administration.<sup>413</sup>

There is now a national legal environment related to Work, Health and Safety (WHS) with nationally consistent legislation across all jurisdictions (with the exception of Victoria and Western Australia). WorkCover commenced under WHS legislation on 1 January 2012. The information and compliance requirements, including for dangerous goods (known as hazardous chemicals under the WHS legislation), have been taken into account through the Safe Work Australia process of reviewing all authorisations nationally.<sup>414</sup>

Given the national WHS framework, any proposed changes to WorkCover's administrative and compliance processes for dangerous goods (hazardous chemicals) notifications will need to be in consultation with emergency services, the EPA, and interstate regulatory counterparts, to ensure consistency and compatibility of the regulatory approach.

<sup>409</sup> NSW Business Chamber submission to IPART, December 2012.

<sup>410</sup> Outdoor Recreation Industry Council NSW Inc. (ORIC) - Peralta, K., submission to IPART, 3 July 2014.

<sup>411</sup> Comments provided in response to the online *Have your say* survey between 24 October 2012 and 19 December 2012.

<sup>412</sup> PwC Licensing Guide, p 67.

<sup>413</sup> Ibid., p 63.

<sup>414</sup> As per a letter from the WorkCover Authority of NSW to IPART, 3 June 2013.



## Recommendation

- 25 The NSW Government should, by the end of 2015, review administration of dangerous goods notifications (administered by WorkCover NSW), using the Licensing Framework and taking into account stakeholder comments about online notification and compliance processes.

### 6.2.4 Environmentally hazardous chemicals licences

The *Environmentally Hazardous Chemicals Act 1985* (EHC Act) provides mechanisms for the Environment Protection Authority (EPA) to regulate chemicals or groups of chemicals of environmental concern. Chemical control orders (CCOs) are the primary regulatory tool under the EHC Act. CCOs can set controls on activities throughout the chemical's life cycle, through general requirements and by requiring that certain activities are subject to particular licence conditions.<sup>415</sup> EHC Act licences are issued only to persons who are required by a CCO to hold a licence.<sup>416</sup>

The results of our licence survey of NSW Government agencies indicate that the number of environmentally hazardous chemicals licences 'in force' in NSW on 30 June 2012 was 26. No revenue is collected for this licence type.

#### Issues raised in submissions

The Australian Sustainable Business Group (ASBG) argued that EHC Act licences could be more efficiently administered under the *Protection of the Environment Operations Act 1997*. This would allow environmentally hazardous chemical regulation to be consolidated within Environment Protection Licences, providing efficiency gains for the EPA and licence holders and improved administration of "old" EHC Act licences.<sup>417</sup>

#### IPART analysis

The EPA should investigate the merits of consolidating environmentally hazardous chemical licences within Environment Protection Licences. We note the Licensing Framework recognises the benefits of consolidating licensing requirements. It states:

Where similar licences exist, certain requirements could be made the same and the 2 licences could be 'consolidated' into 1 licensing scheme. This should assist in reducing costs on licensees and/or the regulator. If requirements cannot be made the

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<sup>415</sup> NSW Environment Protection Authority (2013), *Environmentally Hazardous Chemicals Act*, <http://www.epa.nsw.gov.au/pesticides/ehcact.htm>, accessed 11 July 2013.

<sup>416</sup> Ibid.

<sup>417</sup> Australian Sustainable Business Group, submission to IPART, December 2012, pp 17-18.



same and consolidation is not possible, increasing the consistency with other related requirements will still help to reduce compliance costs.<sup>418</sup>

#### Recommendation

- 26 The NSW Government should investigate consolidating environmentally hazardous chemical licences (administered by the NSW Environment Protection Authority) within Environment Protection Licences.

#### 6.2.5 Non-indigenous animal (camels) licence

The private keeping of many “controlled category” non-indigenous animals in NSW is regulated through the *Non-Indigenous Animals Act 1987* (NIA Act). These animals are listed in Schedule 1 of the *Non-Indigenous Animals Regulation 2006* and include species such as camels, American bison, water buffalo, gazelles, squirrels and most zoo-type animals such as monkeys and other primates.

The NIA Act’s main purpose is to control and regulate the entry of these animals into NSW and the movement and keeping of them within the State. It does this through a licensing and movement permit scheme administered by the NSW DPI.

The licensing scheme:<sup>419</sup>

- ▼ establishes a person’s eligibility to keep non-indigenous animals, based on factors such as the character of the applicant and the premises where the animals are to be kept
- ▼ authorises licence holders to keep certain animals
- ▼ may impose conditions such as security and safety requirements to prevent the escape of animals.

The results of our licence survey of NSW Government agencies indicate that there were 94 approvals to keep non-indigenous animals ‘in force’ on 30 June 2012. The total licence revenue collected during the 2011/12 financial year for this licence type was about \$9,000. We are unable to disaggregate the number of these licences and revenue that relate specifically to camels.

<sup>418</sup> PwC Licensing Guide, p 39.

<sup>419</sup> NSW Department of Primary Industries, Agriculture (undated), *Non-indigenous animals*, <http://www.dpi.nsw.gov.au/agriculture/livestock/nia>, accessed 15 July 2013.

### Issues raised in submissions

An anonymous submission to the Issues Paper argued that:<sup>420</sup>

- ▼ Camels have been incorrectly classified under the NIA Act. Camels are currently classified as category 3b, requiring licensing under the NIA Act. According to the submission, they should be classified as category 4, consistent with other camelids (such as alpacas and llamas) and the categorisation of camels in other State and Territories.
- ▼ Camels are monitored annually as stock under the *Rural Lands Protection Act 1998* by Livestock Health and Pest Authorities (LHPAs) across NSW. The monitoring of camels under NIA licensing duplicates the LHPA's activities.

### IPART analysis

We note that a new *Non-Indigenous Animals Regulation 2012* (NIA Regulation), containing the classification of camels as a category 3b animal, commenced in 2012. This suggests that it is a recently reviewed area of regulation.

NSW Trade & Investment (and Department of Primary Industries) classifies camels as category 3b animals under the NIA Regulation, as they are recognised as an invasive pest in Australia and are determined to be:

...animals that have the potential to establish in the wild a population that would present a new threat to the environment, agriculture or persons.

The *National Feral Camel Action Plan* calls for the comprehensive, coordinated and humane management of camels. In terms of approaches to the regulation of camels in other States and Territories, it describes the current management of camels as:

...largely ad hoc and fragmented by jurisdictional and tenure boundaries...camel management to date has failed to provide a strategic and risk-based approach upon which local, regional and state-based management can be undertaken.<sup>421</sup>

In terms of regulatory overlap with the Livestock Health and Pest Authorities activities, NSW Trade & Investment have commented that camels are managed under the NIA Act to prevent their establishment as a feral pest in NSW (60% of which provides a suitable habitat for camels to establish feral populations). The *Rural Lands Protection Act 1998*, administered by the Livestock Health and Pest Authorities was not established to proactively manage species to prevent their establishment as pests.<sup>422</sup>

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<sup>420</sup> Anonymous submission to IPART, December 2012.

<sup>421</sup> National Resource Management Ministerial Council (2010), *National Feral Camel Action Plan*, <http://www.environment.gov.au/system/files/resources/2060c7a8-088f-415d-94c8-5d0d657614e8/files/feral-camel-action-plan.pdf>, accessed 25 June 2013.

<sup>422</sup> As per letter received from the NSW Department of Trade & Investment to IPART, 31 May 2013.

In light of the relatively recent commencement of the NIA Regulation and the *National Feral Camel Action Plan*, we have not made a specific recommendation in relation to this licence.

### 6.2.6 Sex services premises – review of regulation

The NSW Government is currently reviewing the regulation of sex services premises in NSW to develop reform options that achieve the objectives of protecting residential amenity, protecting sex workers and safeguarding public health.<sup>423</sup>

The existing regulation of sex services premises and workers includes:

- ▼ Local councils utilising planning powers under the *Environmental Planning and Assessment Act 1979* to decide the number and location of sex services premises in their area. Sex services premises must comply with a local council's planning policies and may need to make a development application to council for permission to operate the business.
- ▼ Requirements for owners and operators of sex services premises to provide safe and healthy work environments. The *Health and Safety Guidelines for Brothels* issued by WorkCover NSW and NSW Health outline the required acceptable standards.
- ▼ An offence under the *Summary Offences Act 1988* for anyone to advertise sex services, for a sex worker or sex industry business.

The former BRO released an issues paper in September 2012 that presents 3 possible options for reform:<sup>424</sup>

- ▼ improve the current regulatory system, including improving the decision-making in planning for sex services premises and improving the sharing of information between NSW regulators
- ▼ introduce a registration system for owners and operators of commercial sex services premises
- ▼ introduce a licensing system for owners and operators of commercial sex services premises.

<sup>423</sup> Better Regulation Office (2013), *Review of Regulation of Brothels in NSW*, [http://www.betterregulation.nsw.gov.au/targeted\\_reviews/review\\_of\\_the\\_regulation\\_of\\_brothels\\_in\\_nsw](http://www.betterregulation.nsw.gov.au/targeted_reviews/review_of_the_regulation_of_brothels_in_nsw), accessed 15 July 2013.

<sup>424</sup> Better Regulation Office, *Issues Paper: Regulation of Brothels in NSW*, September 2012, pp 41-44.

### Issues raised in submissions

We received two submissions to our Issues Paper addressing the review of regulation of sex services premises in NSW, from the Scarlett Alliance and The Urban Realists Planning and Health Consultants. The Scarlett Alliance also provided a submission to our Draft Report. This submission reiterated its position against the introduction of licensing and requested that we acknowledge the significant risks associated with it.<sup>425</sup> These submissions strongly argue against licensing of sex services premises and note that the current model of decriminalisation is recognised as best practice and should be continued.<sup>426</sup>

In its submission to our Draft Report, Scarlett Alliance argues that:

- ▼ the best opportunity to reduce red tape is to prevent a licensing system from being introduced and to maintain a decriminalisation model
- ▼ decriminalisation of sex work is accepted as a best-practice model by the Federal Government and United Nations
- ▼ the outcomes of schemes in Queensland and Victoria demonstrate that licensing of sex work is ineffective, expensive and unworkable, due to the high administrative costs, low compliance and negative impact on public health.

Scarlett Alliance refers to the case studies on Victoria and Queensland as evidence of the effects of sex services premises licensing in Australia.

Arguments against introducing sex services premises licensing in NSW include the following findings:

- ▼ decriminalisation in NSW has resulted in improved human rights, net savings for the criminal justice and health systems, and enhanced surveillance and health promotion programs for sex workers
- ▼ 90% of the Queensland sex industry and 50% of the Victorian sex industry operate illegally under a licensing framework.<sup>427</sup>

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<sup>425</sup> Scarlett Alliance, submission to IPART, July 2014, p 2.

<sup>426</sup> UNAIDS, UNFPA, UNDP, *Sex Work and the law in Asia and the Pacific*, 2012, UNDP Thailand, p 7.

<sup>427</sup> The Kirby Institute, Faculty of Medicine, University of NSW, *The Sex Industry in New South Wales – a report to the NSW Ministry of Health*, 2012, p 10.

### IPART analysis

We note that licensing of sex services premises has been presented only as one option for reform in BRO's Issues Paper. As a sex services premises licence does not currently exist we have not made a specific recommendation relating to sex services premises. However, any proposed licensing scheme for the sex services industry should be assessed using the Licensing Framework to determine whether it is an appropriate government response to address the policy objectives.

In particular, as part of Stage 1 assessment using the Licensing Framework, a comprehensive review of literature and independent evaluation of evidence is required to support the decision.

The arguments presented in submissions to our Issues Paper and Draft Report suggest that alternatives to licensing may be more appropriate to address the NSW Government's policy objectives in this area.

## 7 Opportunities for ongoing licence reform

This chapter presents our findings on opportunities for ongoing licence reform in NSW. Data and information collected through the course of this review, primarily via our survey of NSW Government departments and agencies, has allowed us to consider opportunities for reform in the following six areas:

- ▼ review of licences
- ▼ licence duration
- ▼ setting licence conditions
- ▼ setting licence fees
- ▼ licence compliance regimes
- ▼ effective and efficient licence administration.

Our overarching findings in these reform areas can be used to inform the implementation of the NSW Government's Quality Regulatory Services (QRS) initiative.<sup>428</sup> The QRS aims to make it easier for businesses and individuals to engage with regulators, and promote efficient regulation.

Similarly, along with the Licensing Framework and Licensing Guide, our overarching findings presented in this chapter and related appendices can also be used by NSW Government agencies and departments in targeting and conducting reviews of their licences. For each NSW Government department or agency, we have analysed its portfolio of significant licences in terms of the six reform elements listed above (see Appendix M). This high-level assessment, which is based on the agencies' survey returns, will allow an agency to broadly assess its performance across a range of licences and potentially identify areas that could be improved.

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<sup>428</sup> NSW Government, *Quality Regulatory Services Initiative*, [http://www.dpc.nsw.gov.au/programs\\_and\\_services/regulatory\\_reform/quality\\_regulatory\\_services\\_initiative](http://www.dpc.nsw.gov.au/programs_and_services/regulatory_reform/quality_regulatory_services_initiative), accessed 21 March 2014.

## 7.1 Regular review of licences and implementation of substantiated reforms

The survey data indicates a large proportion of licences have either not been recently reviewed, or a review has not been comprehensive.<sup>429</sup>

### Finding

- 11 Among 310 significant licence types (referred to as ‘significant licences’, ‘licences’ or ‘licence types’), 38% have not been reviewed in the last 5 years. For the 54% of significant licence types that have been recently reviewed:<sup>430</sup>
- 46% of reviews did not use best practice methods (ie, using rigorous analysis and public consultation)
  - 44% of reviews did not consider the need for a licence; 24% did not consider the licence’s terms and conditions; and 25% did not consider the licence’s compliance, enforcement or audit activities.

Periodic licence review is part of Stage 3 of the Licensing Framework. The Licensing Guide notes that good regulatory administration includes ongoing review of the licensing scheme to ensure:

- ▼ the need and rationale for licensing remains valid
- ▼ the design of the licensing scheme remains fit for purpose
- ▼ regulatory administration reflects best practice.

Failure to regularly review a licensing scheme may also lead to an expansion of the scheme’s coverage over time (ie, ‘regulatory creep’). For example, around 9% of significant licences have dollar value exemptions or thresholds that are not automatically adjusted on a regular basis.<sup>431</sup> Alternatively, it may mean that some licences are still in place even though they may be no longer required (eg, due to other regulatory requirements or legislation, changes in technology or market conditions).

<sup>429</sup> See Appendix E.

<sup>430</sup> The review status for around 7% of significant licences is unknown, as the regulator did not complete the relevant survey question.

<sup>431</sup> Regulatory creep can occur where threshold criteria specified in dollar terms are eroded by inflation, and there are no appropriate adjustment mechanisms in place. As a result, many smaller enterprises end up being covered by a regulation or having to bear compliance costs that were not initially foreseen or intended: Australian Government, *Rethinking Regulation, Report of the Taskforce on Reducing Regulatory Burdens on Business*, January 2006, p 19.

In setting the review term, the Licensing Framework advises that, in general, licensing schemes that impose material regulatory burdens on the sector and/or restrict competition should be reviewed at least every 5 to 10 years. More frequent review might be considered for:

- ▼ dramatically changing markets or sectors – eg, those subject to a high degree of globalisation or experiencing significant impacts from changing technology
- ▼ sectors with evidence of significant or frequent detriment or harm
- ▼ licensing schemes that have been subject to review, but reform recommendations have not been adopted.

Our analysis of survey responses, stakeholder submissions and the principles of the Licensing Framework has identified general categories of NSW Government licences that are either priorities to:

- ▼ **review under the Licensing Framework, or**
- ▼ **implement the substantiated reforms of previous reviews.**

These categories, and the reasons for their priority status, are outlined below.

#### 7.1.1 Licences that restrict competition or distort the allocation of resources

Our methodology to prioritise licences for reform (Chapter 4) does not identify licences that restrict competition or distort the allocation of resources in the NSW economy. As these licences have not been identified as part of our review, they should be a priority to identify and review under the Licensing Framework.

The Council of Australian Governments has agreed that the principles of best practice regulation, in accordance with the Competition Principles Agreement, should ensure that legislation does not restrict competition unless it can be demonstrated that:

- ▼ the benefits of the restrictions to the community as a whole outweigh the costs, and
- ▼ the objectives of the regulation can only be achieved by restricting competition.<sup>432</sup>

These competition tests also apply to licences.

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<sup>432</sup> Council of Australian Governments, *Best Practice Regulation: A Guide for Ministerial Councils and National Standard Setting Bodies*, October 2007, p 4.



Traditionally, licensing has been associated with barriers to entry, monopoly profits and restricted output.<sup>433</sup> Licences that limit the quantity of activities undertaken in the sector ('privilege' licences in the Licensing Framework)<sup>434</sup> impose barriers to entry and convey economic rents. Some examples are commercial fishing licences, taxi licences and water access licences.

In some instances, these privilege licences are justified – particularly if, for example, they are designed to ensure the sustainable extraction or use of scarce natural resources (such as water or fish stocks). However, the existence of privilege licences can only be justified if it is clearly demonstrated that the benefits to the community exceed the costs of restricting competition. In the Licensing Framework, this would be assessed at Stages 1 and 4, when all regulatory and non-regulatory options are considered to address a particular market failure.

Our methodology to identify licence reform priorities (Chapter 4) considered only licence design and administration (ie, Stages 2 and 3 of the Licensing Framework). This means that our methodology did not assess the degree to which a licence restricts competition, the costs of restricting competition, nor the net benefit to the community of licensing an activity. Therefore, our methodology did not identify licences that unduly restrict competition or distort the allocation of resources in the NSW economy.

A licensing regime may restrict competition in a number of ways such as to limit:

- ▼ the number or range of suppliers
- ▼ the ability of suppliers to compete
- ▼ the incentive of suppliers to compete
- ▼ the choices and information available to customers.<sup>435</sup>

A next step in identifying opportunities for licence reform in NSW would be to review the significant licences and identify those that unduly restrict competition or distort the allocation of resources.

<sup>433</sup> Friedman, *Capitalism and Freedom*, 1962, Chapter IX *Occupational Licensure*, 1982 edition, University of Chicago Press, pp 137-160.

<sup>434</sup> See section 3.2, in Chapter 3.

<sup>435</sup> Productivity Commission (2012), *Regulatory Impact Analysis: Benchmarking*, p 167, [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0003/120675/ria-benchmarking.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0003/120675/ria-benchmarking.pdf), accessed 22 July 2013.

### **7.1.2 Licences subject to changes in the regulatory environment and/or overlap with other forms of licensing**

Regulators and stakeholders have identified categories of licensing schemes where a review is required because of changes in the regulatory environment and/or overlap with other forms of licensing. For example:

- ▼ Licensing schemes that were designed before the early 1980s (before integrated banking and widespread use of the internet).
- ▼ Licences impacted by the commencement of the Australian Consumer Law (ACL) introduced in January 2011. The ACL provides nationally consistent rights and protections to consumers and creates a national enforcement regime. Not all relevant NSW licences have been reviewed in light of the ACL, potentially making them a priority for review under the Licensing Framework.

Licences in these categories have significant potential for reform. In particular, consideration should be given as to whether a licence is still needed to address the problem or risk (Stage 1 of the Licensing Framework).

### **7.1.3 Licensing schemes that have been reviewed but reform recommendations have not been implemented**

Stakeholders have identified a number of licensing schemes that have recently been reviewed, but the reform recommendations arising from these reviews have not been implemented. Examples of such licences cited by stakeholders relate to commercial property agents and entertainment industry representatives.

Further analysis of these licences, including comments from stakeholders, is provided in Chapter 6. Implementing previously identified reform recommendations should be a relatively easy gain, in terms of reducing red tape.

### **7.1.4 Licensing schemes with a related national process or where NSW is one of a minority of jurisdictions to licence**

During our review, regulators and stakeholders have identified categories of licensing schemes where:

- ▼ there is a national process to review the licence and establish a national licensing scheme (eg, property valuers and travel agents)
- ▼ there is an argument to pursue a national licensing scheme (eg, security licences), or
- ▼ NSW is one of a minority of jurisdictions to licence (eg, stock and station agents).

Examples of some licences in these categories are discussed in Chapter 6. A national licensing scheme, harmonisation of licences or mutual or unilateral recognition of licences across jurisdictions can reduce costs, particularly for businesses or individuals moving between or operating across jurisdictions.

The Licensing Guide notes that:

Harmonisation generally creates beneficial outcomes for individuals and businesses that live and/or operate across multiple jurisdictions. Harmonisation on its own, however, should not be the sole reason for choosing a particular requirement. Developing a harmonised approach may need to be balanced against the aim of generating the best design outcome.<sup>436</sup>

In some instances, particularly where NSW is one of a minority of jurisdictions around Australia to licence an activity, there may be opportunities to abolish (rather than harmonise) licences.

## 7.2 Licence duration

Data on maximum duration was collected for all 769 licence types. As we would expect with our broad definition of a licence, we found that there is large variability across licences in their duration (Table D.14 Appendix D).

### Finding

12 As would be expected, licence duration varies significantly across licence types in NSW. For licence types where data on duration was provided:

- 25% of licences had an ‘ongoing’ duration
- 23% of licences had a duration between 3 years and 5 years
- 29% of licences had a duration less than 3 years
- 21% of licences had a 1-year duration
- ‘variable’ or ‘per activity’ licence duration was reported for 14% of licence types.

IPART’s discussions with regulators, as well as recent licensing reform trends in Australia and overseas, indicate that modifying licence duration will generally yield red tape savings. Further, increasing licence duration was a leading priority reform area for respondents to the ‘Have your say’ survey.

<sup>436</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material* (PwC Licensing Guide), p 37.

Modelling undertaken as part of the National Occupational Licensing Reforms<sup>437</sup> found that extending the duration of licences will often result in net benefits. Licensees and regulators save time and money by being able to apply for and process renewals less frequently.<sup>438</sup>

The Licensing Framework notes that licence duration should be the maximum possible, subject to the expected frequency of change to the elements of the licence (ie, the longer the period of no change, the longer the licence duration). This is because a longer duration implies less administration for regulators and lower compliance burdens for licensees. It proposes a ‘no fixed term’ duration as the default option, with shorter maximum durations only where it is likely to improve the efficiency and effectiveness of a licensing scheme (ie, where there are likely to be material, relevant changes in the characteristics of the licensee or licensed activity).

From our ‘Top 10’ priority licences (see Chapter 5), we have recommended 2 licences where the duration could be increased from:

- ▼ 5 years to 10 years for a Driver’s licence (includes Car and Rider)
- ▼ 1-year to 5 years for registration of a recreational vessel.

Given our recommendations for the ‘Top 10’ licences and the results from the survey, there are likely to be opportunities to reduce red tape through extending the durations of other significant licences.

### 7.3 Licence conditions set according to best practice

The survey data shows that for some licences, regulators have not set their terms and conditions using best practice methods.<sup>439</sup>

<sup>437</sup> These reforms were aimed at establishing a national occupational licensing system (NOLS) for specific occupations, to allow licence holders to use their national licence to work anywhere in Australia. The reforms arose from an Intergovernmental Agreement endorsed by the Council of Australian Governments in 2009. The NOLS was, until recently, being implemented by the National Occupational Licensing Authority. However, in December 2013, COAG announced that the NOLA would be disbanded and that the states will now work with the Council for the Australian Federation to develop alternative options to national licensing. National Occupational Licensing Authority (NOLA) (2013), NOLA, <http://nola.gov.au/>, accessed 23 December 2013.

<sup>438</sup> Council of Australian Governments’ National Licensing Steering Committee, *Consultation Regulation Impact Statement, Proposal for national licensing for property occupations*, 2012, pp 52-53.

<sup>439</sup> See Appendix E.

### Finding

- 13 For about 63% of significant licences (licence types), regulators have not set their terms and conditions using best practice methods involving either:
- rigorous analysis (cost-benefit analysis; economic, scientific or expert analysis), and
  - public consultation or use of information provided by stakeholders.

These best practice methods are consistent with the former Better Regulation Office's better regulation principles.<sup>440</sup>

The relatively large proportion (about a quarter) of significant licences that have been developed not using best practice methods indicates there are large gains to be made from improving the way licence terms and conditions are set. Our first and second recommendations in this Final Report, relating to agencies using the Licensing Framework when developing and reviewing licences, are aimed at addressing this issue.

#### 7.3.1 Continuing professional development

A significant element of licence conditions can be requirements for continuing professional development (CPD). CPD can be costly, particularly for small businesses. The Licensing Framework requires that conduct rules (including CPD) should be the minimum necessary and designed so as to minimise the cost to licensees and the regulator.<sup>441</sup>

Generally, an industry or occupation can have an incentive to maximise the CPD requirements set through the conditions of a licence. Firstly, they have an incentive to limit the entry to their profession or occupation and create a barrier to entry. Secondly, the industry body or association may also have a financial interest in providing training and courses to meet the CPD requirements.

CPD requirements apply to a wide range of occupational licences in NSW, including conveyancers, building licences, and real estate agents. These requirements are part of mandatory licence conditions. Licence renewal usually is contingent upon the completion of the CPD requirements. In contrast, other states in Australia do not have these mandatory requirements. For example, in Victoria, building licences have a voluntary system of CPD.

<sup>440</sup> Better Regulation Office, *Guide to Better Regulation*, November 2009, p 7. In particular, Principle 3 - the impact of government action should be properly understood by considering the costs and benefits of a range of options; and Principle 3 - consultation with business and the community should inform regulatory development.

<sup>441</sup> PwC Licensing Guide, p 53.

Some submissions demonstrate a concern with CPD requirements. For example, a stakeholder commented that CPD for building licences offers limited value and increases the cost of licence renewals.<sup>442</sup>

For Home Building Licences, we have recommended removal of mandatory CPD requirements and to allow for the development of voluntary professional development programs. We have estimated that this recommendation may deliver net benefits of about \$8.1 million per year.<sup>443</sup> There may also be net benefits from removing mandatory CPD requirements for other occupational licences, such as for real estate licences. The cost of mandatory CPD requirements should be reviewed in light of the benefits to determine whether the requirements deliver a net benefit to the community.

Alternatives to mandatory CPD requirements should also be considered. For instance, an argument often used to support CPD requirements is to ensure that licence holders are kept up-to-date with changes in the regulatory environment. However, a regulator may be able to effectively and efficiently communicate policy or legislative changes to licence holders via the licence renewal process or e-newsletters for particular industry groups.

Generally, CPD requirements for occupational licences are difficult for regulators to enforce. This is because compliance with CPD requirements does not necessarily reflect the quality of the services that a licence holder provides to the consumer. If a licence holder has not met the mandatory CPD requirements then a regulator may revoke the licence, even though the licence holder may be qualified, competent and have a good record of delivering quality work. This means that consequences of non-compliance with CPD requirements are high, as the licence holder could potentially lose their licence and livelihood.

The above discussion highlights the need to review mandatory CPD requirements across all occupational licences in NSW. This review should consider whether the CPD requirements could be abolished, are sufficiently targeted and relevant, and the minimum necessary.

When reviewing CPD requirements, there is a risk that regulators can be ‘captured’ by the industry they are regulating. Therefore, it is important that an independent agency review the CPD requirements in occupational licences and consider a consistent whole-of-government approach.

#### Recommendation

- 27 The NSW Government should commission a review by an independent body of the training and continuing professional development conduct rules for all occupational licences to ensure they are the minimum necessary. In doing so, the reviewing body should refer to the Licensing Framework.

<sup>442</sup> *Have your say* survey response.

<sup>443</sup> See section 5.2.7 in Chapter 5.

## 7.4 Licence fees set on logical basis with mechanism for regular adjustment

The survey data shows that some agencies have set their fees at nominal or arbitrary levels, and a large proportion of fees have not been reviewed in the last 5 years.<sup>444</sup> Therefore, there is an opportunity to enhance efficiency by reviewing these fees against the Licensing Framework.

### Findings

- 14 About 16% of significant licences have fees set at a nominal or arbitrary level.
- 15 About 28% of significant licence types have not had their fees reviewed in the last 5 years.

The Licensing Framework identifies that licence fees and charges should be imposed either to reflect the economic value of a licence or the full recovery of efficient costs of administering the licensing scheme.<sup>445</sup> The appropriate approach to setting fees and charges differs depending on whether privilege or permission licensing is being used:

- ▼ **Privilege licences**, which limit the quantity of activities undertaken in the sector, may convey economic value to licensees by virtue of the scarcity of permission. For these licences, fees and charges should be imposed to reflect their economic value.
- ▼ **Permission licences** – fees and charges should be targeted at full recovery of the efficient costs associated with administering the licensing scheme and monitoring and enforcing compliance.

Our survey data indicates there are opportunities to improve how licence fees are set and adjusted over time.

## 7.5 Compliance regime targeted to licence risks

The survey data indicates that compliance regimes for a number of significant licences could be better targeted, using risk-based approaches.<sup>446</sup>

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<sup>444</sup> See Appendix E.

<sup>445</sup> PwC Licensing Guide, p 51.

<sup>446</sup> See Appendix E.

### Finding

- 16 Our survey data indicates that the compliance regimes of a number of significant licences are not well targeted. For instance:
- for 16% of significant licences, regulators conduct blanket inspections or audits
  - 32% of significant licences require periodic or standardised self-reporting by licensees.

A licence's compliance regime can impose significant cost on its licensees. According to the NSW Business Chamber red tape survey, one-third of businesses surveyed reported they were spending more than \$10,000 on complying with government regulations.<sup>447</sup>

Excessive compliance requirements are frequently cited in red tape surveys as key sources of unnecessary regulatory burdens. For example, the NSW Business Chamber red tape survey found that around 54% of businesses surveyed reported that complying with government regulatory requirements has had a moderate to major impact on their business.<sup>448</sup>

The Licensing Framework notes that a licensing scheme's compliance regime should be coordinated and targeted to licence risks.<sup>449</sup> Best practice compliance regimes utilise a risk based approach to identify priorities and establish a monitoring and enforcement plan. For instance, risk based compliance activities could include targeted inspections or audits and exception-based reporting by licensees.

## 7.6 Effective and efficient licence administration

As the Licensing Framework outlines, efficient and effective licence administration involves licence outcomes being achieved with the minimum necessary cost to regulators and licensees.

The survey data highlights 2 areas of licence administration for significant NSW licences that can be improved:

- ▼ providing greater clarity around licence processing times.
- ▼ offering more online licence services.

These are discussed further below.

<sup>447</sup> NSW Business Chamber, *Red Tape Survey*, 2012, p 4.

<sup>448</sup> Ibid, p 3.

<sup>449</sup> PwC Licensing Guide, p 67.



### 7.6.1 Providing greater clarity around licence processing times

Our survey data shows that regulators could provide greater clarity around licence approval and renewal times.<sup>450</sup>

#### Finding

17 The survey data indicates that for significant licences:

- only 5% of licence types had a simplified renewal process for licences with long track records of compliance
- less than 32% had structures in place to provide clarity to applicants about approval times
- less than 23% had structures in place to provide clarity to applicants about renewal times.

Approval and renewal structures are guaranteed levels of service for licence processing that are determined by agencies,<sup>451</sup> or time limits set out in legislation that are legally binding on agencies.

The NSW Government's Quality Regulatory Services initiative includes clarity in processing times as a reform direction. The NSW Government is targeting licence processing times by working with all regulators to ensure they set, communicate and report on maximum timeframes for the processing of all licence applications.<sup>452</sup>

One regulator noted that where licence applications or renewals are incomplete, it is necessary to “stop the clock” on processing times to obtain missing information from the licence applicant or licensee.<sup>453</sup> Regulators should be clear in communicating when this may, or does, occur.

### 7.6.2 Offering more online licence services

The efficiency of licence administration can also be improved by offering more online services. This can help regulators deliver timely, accurate and reliable services to licence holders and applicants at minimal cost.

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<sup>450</sup> See Appendix E.

<sup>451</sup> As an example, an agency may commit to process licence renewals within 30 days of receiving a completed application from a licensee.

<sup>452</sup> NSW Government Quality Services Initiative, as outlined in *The NSW Government Response to the Industry Action Plans*, December 2012.

<sup>453</sup> Comment from G Drysdale, IPART, in relation to licensing under the *Water Industry Competition Act 2006*.

## Finding

- 18 About 17% of significant licence types do not offer any online licence services. Most significant licences also do not offer online lodgement services for applications or renewals, payment services for licence fees or facilities for licensees to update details online.

The NSW Government's Quality Regulatory Services initiative also includes enabling electronic transactions with business as a reform area. Many of these online services could be offered through the existing NSW Government Licensing Services (GLS) portal.<sup>454</sup>

The enhanced provision of online licence services was strongly supported by stakeholders in submissions and comments to our review. Box 7.1 below presents licence reform priorities according to respondents from the *Have your say* survey. A leading priority is to increase the provision of online services.

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**Box 7.1      Licence reform priorities according to respondents to our *Have your say* survey**

Respondents considered the leading options for improving licences are:

- ▼ reduce licence fees (for 77.9% of respondents this is a high or medium priority)
- ▼ increase provision of online services (71.0%)
- ▼ increase licence duration (68.4%)
- ▼ recognise licences from other States (65.1%)
- ▼ reduce reporting requirements (59.9%), and
- ▼ create a one-stop-shop for all licence applications (57%).

**Source:** IPART analysis of survey results in Appendix N.

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Appendix N presents a detailed analysis of responses to the *Have your say* survey of licence holders.

### 7.6.3 Integrating existing licence administration systems

Our assessment of licence administration in NSW was limited to analysis of an individual licence as opposed to how licence administration could be integrated across different types of licences and regulators.

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<sup>454</sup> NSW Government Licensing Service, GLS (2013), Homepage, <http://www.licence.nsw.gov.au/New/>, accessed 22 July 2013.

In Chapter 3 we recognised the limitations of the Licensing Framework in assessing suites of licences designed to handle a chain of risks. The framework focuses on individual licences in isolation and is not intended to assess a system of licences. Each government agency should take a broader, integrated approach to optimise its portfolio of licences and avoid regulatory overlap by identifying cross-agency efficiencies in licence administration.

During public consultations, several stakeholders commented that there are potential efficiencies in combining various licences, such as all vehicle licences<sup>455</sup> and driver's, boat and fishing licences.<sup>456</sup>

In its submission, the Small Business Commissioner supported data sharing between agencies, recognising that there was a lot of duplication of information gathering for different licence types.<sup>457</sup> Around 64% of businesses surveyed in the NSW Business Chamber's survey believe that information sharing would be at least moderately effective in reducing regulatory burden.<sup>458</sup>

There may be potential efficiencies in the long term in developing integrated licence administration system across licence types and/or across agencies. We consider that further investigation is needed to determine the benefits of this type of reform. However, the efficiencies could be significant in areas where there are a large number of licence holders, or where there is significant duplication of reporting requirements and compliance activities across licence systems.

We note that Transport for NSW/NSW Roads and Maritime Services' policy agenda includes investigating options to harmonise roads and maritime licensing procedures.<sup>459</sup> Other examples to integrate licence administration systems (on a large scale) include:

▼ **Amalgamating multiple licences on a single card – 'one card, many licences'**

NSW Government departments and agencies could investigate options to develop an integrated licence administration system that enables licence holders to apply for many licences but only hold one card. This 'one card, many licences' option may result in red tape savings, especially for small businesses, by:

- making it easier to keep track of licensing requirements, eg, renewal dates
- saving time by reducing the number of licence renewals.

<sup>455</sup> *Have your say* survey response.

<sup>456</sup> *Have your say* survey response.

<sup>457</sup> Office of the NSW Small Business Commissioner, submission to IPART, December 2012.

<sup>458</sup> NSW Business Chamber, *Red Tape Survey*, 2012, p 17.

<sup>459</sup> Transport for NSW (2012), *Maritime Policy Agenda*, <http://www.maritime.nsw.gov.au/docs/maritime-policy-agenda.pdf>, accessed 3 July 2013.

This option is likely to be more suitable to consolidate licences administered by the same agency. It is currently used by a range of regulators. For example, Queensland has introduced an Industry authority card that combines various types of transport-related licences, including the dangerous goods driver's licence.<sup>460</sup> Similarly, national High Risk Work Licences have been consolidated by work safety authorities in each State and Territory (including WorkCover in NSW<sup>461</sup>) onto a single licence card that presents a licence holder's competencies. Building licences administered by NSW Fair Trading may also be suitable for similar consolidation on a single card.

#### ▼ 'Opt-in' data sharing

NSW Government departments and agencies could investigate options to promote data sharing across licence administration systems.<sup>462</sup> This could be a voluntary option for licence holders to choose at the time of licence application and renewal. It would facilitate the sharing of licence holders' personal information across different NSW Government departments and agencies to administer a range of licences (rather than requiring licence holders to provide the same information on multiple occasions).

#### ▼ Improving licence data management

NSW Government departments and agencies could investigate options to optimise central data management systems. This could reduce duplication and costs to government and provide greater access to licence data for the purposes of policy development and review.

However, there may also be substantial costs associated with the infrastructure and technology required to set up an integrated licence administration system (or systems), particularly across different regulators. For example, these costs may include the cost of linking different NSW Government databases and aligning renewal dates. Privacy laws, risk of identify fraud or theft and technological feasibility are potential issues that require consideration. These potential costs must be balanced against likely demand from licence holders. This demand will be influenced by the potential red tape savings to licence holders and whether the costs of integrated administration systems are passed on to licence holders through higher licence fees.

<sup>460</sup> Queensland Government, Department of Transport and Main Roads (2013), *The new cards*, <http://www.tmr.qld.gov.au/Licensing/Queensland-new-cards/The-new-cards.aspx>, accessed 10 July 2013.

<sup>461</sup> WorkCover (undated), *WorkCover NSW Campaign: High risk work licence conversion program – Frequently asked questions (FAQs)*, [http://www.smallbusiness.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0019/23941/WC\\_High\\_Risk\\_Work\\_Licence.pdf](http://www.smallbusiness.nsw.gov.au/__data/assets/pdf_file/0019/23941/WC_High_Risk_Work_Licence.pdf), accessed 9 July 2013.

<sup>462</sup> This type of arrangement would need to comply with privacy laws in NSW. An 'opt-in' approach is most likely to address privacy requirements in sharing licence holders' personal information.

The experience of existing NSW Government initiatives to provide e-government licensing solutions should provide valuable insights into the costs and benefits of extending the integrated licensing system in NSW. These initiatives include:

- ▼ Service NSW – a service delivery model that offers a broad range of NSW Government services and transactions through three service channels: a website, service centres with extended opening hours and a 24/7 telephone service.<sup>463</sup>
- ▼ NSW Government Licensing Service – an online platform that provides access to NSW Government services and resources and the ability for key agencies to manage licence information.<sup>464</sup>

A comprehensive cost benefit analysis should be undertaken to determine the value of integrating existing licence administration systems, particularly for small businesses. This analysis would require further information on the potential and actual costs of implementing an integrated licence administration system (such as a ‘one card, many licences’ or data sharing system), including the infrastructure and other set-up costs to regulators.

## 7.7 Government agencies to evaluate how their licences perform

Our overarching findings highlight 6 key reform areas where the administration and design of licences in NSW could be improved.

To assist each Government department or agency in addressing these areas, we have analysed their portfolio of significant licences in Appendix M. We have grouped significant licences by Government agency, and have provided an overview of potential improvements in the design and administration of each agency’s licences. This is based on our policy scoring methodology, discussed in Chapter 4 in this report.

A policy score breakdown is provided for each licence type based on the benchmark licence design and administration characteristics presented in Table 4.1.

A tick ‘✓’ in Appendix M, indicates that the licence type scored equal to or above the median score for the relevant category. This may be an indication that this area could potentially be improved or reformed, and should be used as a guide for regulators in reviewing their licences.

<sup>463</sup> Service NSW (2013), Homepage, <http://www.service.nsw.gov.au/>, accessed 9 July 2013. The first one-stop shop opened on 5 July 2013 and NSW Government (2013), *Service NSW opens its doors*, <http://www.nsw.gov.au/news/service-nsw>, accessed 9 July 2013.

<sup>464</sup> NSW Government Licensing Service, GLS (2013), Homepage, <https://www.licence.nsw.gov.au/New/>, accessed 9 July 2013.

Appendix M can be used as a starting point for each agency to review the efficiency and effectiveness of its licensing schemes. For instance, the analysis may highlight that a particular agency could potentially improve the effectiveness of compliance programs across its licences by using a more targeted, risk based approach.

We note that Appendix M is based on the survey responses of NSW Government agencies and further analysis may be required to substantiate and provide greater detail on these responses. Nevertheless, it allows a high-level assessment of elements of licence design or administration that could be improved across an agency's range of licences.

#### Recommendation

- 28 NSW Government agencies should review their licences against our assessment of areas of licence design and administration that could be improved as set out in Appendix M, taking into account the findings made in this Final Report.



**Appendices**





## A Terms of Reference

### Red Tape Review – Licence Rationale and Design

I, Barry O'Farrell, Premier of New South Wales, approve the provision of services by the Independent Pricing and Regulatory Tribunal (IPART) under Section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*, by conducting a review of licence rationale and design in accordance with the following terms of reference.

#### General

IPART is to undertake a review to identify and make recommendations for potential regulatory reforms that could provide savings to business and the community. These recommendations will help achieve the Government's red tape reduction target of \$750 million in reduced burden for business and the community by June 2015.

In investigating and reporting on the topic, IPART is to:

- a) identify the impacts of the current approach on businesses (especially small business) and the community
- b) provide recommendations that would produce net benefits for NSW
- c) provide estimates of the regulatory burden reduction (including red tape reductions) for NSW business (especially small business) and the community from the implementation of the recommended reforms
- d) provide estimates of the budget implications for Government from implementation of the recommended reforms.

#### Evidence

IPART will collect evidence to establish the impacts of current (regulatory and non-regulatory) approaches that are under investigation, and to substantiate recommendations for reform.

## Public consultation

IPART should consult with relevant stakeholders and NSW Government agencies by releasing an Issues Paper for each review. It may also hold public hearings.

## Governance

Briefings on review progress should be provided to the Executive Director, Better Regulation Office at monthly intervals or as requested.

The issues paper will be submitted to the Executive Director, Better Regulation Office.

A draft review report will be submitted to the Director General, Department of Premier and Cabinet.

A final review report should be formally submitted to the Premier who will determine whether to release the report in whole or in part.

## The Review

IPART will examine NSW licences and identify those where reform would produce the greatest reduction in regulatory burden (including red tape) for business and the community.

For the purposes of this review, the term 'licence' also includes registration, notification, authorisation, accreditation or permits. The aim is to consider the class of instruments that regulators use to grant permission to undertake a particular activity and manage risk.

IPART will

1. Develop a conceptual framework to help:
  - a) Assess when licensing is the most efficient way of addressing identified problems and risks compared with other options (and hence identify the key purpose, or purposes, of licensing).
  - b) Assess whether the design elements of a licence are consistent with its purpose. This includes the scope of the licence; conditions of the licence and how this affects licensees' behaviour; whether licence duration is appropriate for the risks being regulated; and principles for setting fees and charges.
  - c) Assess any other significant ways to improve the administration of licences.
  - d) Consider best practice design elements across licence types and in other jurisdictions.

2. In the context of the framework, identify licences where reform would produce the greatest reduction in regulatory burden, including red tape.
3. Develop a tool/guide that Departments can use to self-assess against the framework.

As part of its method, IPART will:

- ▼ Illustrate the framework by applying it to a sample of licences in NSW.
- ▼ Given the framework:
  - conduct a survey that
    - identifies all licences types in NSW, the numbers issued and the number of businesses and individuals affected
    - measures other variables that will help with prioritising areas for reform.

IPART will progressively report to the Better Regulation Office on each of the following:

- ▼ the conceptual framework
- ▼ the licence survey
- ▼ identification of licences with potential for reform, and the value of potential reforms.

A draft report due by 31 March 2013.

A final report is due by 30 June 2013.



Premier  
& Cabinet



2013-234015

Mr James Cox PSM  
Chief Executive Officer and  
Full-time Tribunal Member  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

13 JUN 2013

Dear Mr Cox

I write regarding your letters of 8 April and 15 April 2013 forwarding draft reports for the reviews of Licensing and Local Government Compliance and Enforcement which were commissioned by the Government.

Your work to date on these reviews is appreciated and has the potential to help the Government identify red tape savings that will benefit business and the community. I have reviewed the draft reports and note the wide range of potential reforms that have been identified. I consider, however, that the reports would benefit from further discussion with NSW government agencies before being released for public consultation. I note that, following discussions with my Department, IPART has commenced consultation with relevant NSW government agencies on specific draft recommendations, and will make any revisions deemed necessary, before resubmitting the draft reports for further review.

In light of the additional consultation requirements, please provide draft reports in July 2013 followed by final reports in October 2013.

Should you have any queries please contact Mr Loris Strappazon, Executive Director, Better Regulation Office on 9228 4039.

Yours sincerely

Chris Eccles  
Director General

## B Licensing in economic regulation

The rationale for economic regulation, including licensing, is derived from the need to address market failures, including externalities, public goods, information failures, and natural monopoly.<sup>465</sup>

- ▼ *Externalities* arise when an economic action has an effect on third parties. Where private and social costs and benefits diverge, the government will usually intervene to bring them in balance. Internalising externalities is possible through creating market instruments placing price on the activity responsible for the third-party effect, or creating property rights. Alternatively, price (tax) or quantity instruments are used to achieve the socially desirable outcome.
- ▼ *Public goods*, characterised by non-excludability (from consumptions of those who do not contribute to the production) and non-rivalry (consumption by one not reducing the ability of others to use the good), are unlikely to be produced by the market in sufficient quantity.
- ▼ *Information failure* is associated with asymmetric access to information, and resulting inability of the parties to make informed choices. It is often consumers who suffer from the lack of information about the quality of the products or services. Consumer protection arguments often underpin regulation aimed at correcting information failure.
- ▼ *Natural monopoly* is characterised by economies of scale and the market structure where the monopoly supplier can raise prices above the socially optimal level, generating monopoly rents and restricting the output. Price regulation of utility companies, for example, is undertaken to correct for this market failure.

Other, broader policy objectives of regulation, include goals such as protecting vulnerable groups and influencing community preferences. Coghlan (2003) summarised the principles of good regulatory practice and regulation-making process. Good regulation, among other characteristics, must yield a net benefit to the community, should be the least burdensome, proportionate to the problem

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<sup>465</sup> Rimmer, S. (2006), *Best practice regulations and licensing as a form of regulation*, Australian Journal of Public Administration, June 2006, 65(2):11.

being addressed, outcome or performance-based, consistent, transparent and accountable. It should also be effectively communicated and enforceable.<sup>466</sup>

Licensing is one form of economic regulation. The power of the state to permit, allow, authorise or recognise a particular activity has been one of the oldest forms of government regulation. “Licensing is one of the basic resources of government, a token of authority long used to provide access to markets on specified terms and conditions”.<sup>467</sup>

Four key components of a licence include:

- ▼ *notification*, where specified information is supplied to the regulator
- ▼ *prior approval*, where approval is obtained from the regulator to commence a prescribed activity
- ▼ *standards*, with minimum level of standards specified, and
- ▼ *enforcement*, where the requirements of licence being legally enforceable and allowing for the application of sanctions.<sup>468, 469</sup>

### Effects from licensing

There are both advantages and disadvantages of licensing as a form of economic regulation. Licensing is relatively straightforward to use in the cases of externalities and/or information failures, where the risk is high, the problem is severe, and the ability to remedy is poor.

Disadvantages of licensing include potential restrictions on competition by limiting entry into an industry or occupation. Higher barriers to entry create a cost advantage for incumbents allowing them to collect rents. Administrative and compliance costs associated with licensing also add to the direct burden on licensees which can be passed on to consumers through higher prices.

Further, there is a potential danger that the regulatory instrument (a licence) will not be able to prevent the market failure from occurring. The possibility of a regulatory failure exacerbates the potential costs of licensing to the broader economy.

<sup>466</sup> Coghlan, P. (2003), *The principles of good regulation*, in Sidorenko, A. and C. Findlay (eds), *Regulation and Market Access*, Asia Pacific Press, The Australian National University, pp 17-39.

<sup>467</sup> Freiberg, A. (2010), *The tools of regulation*, The Federation Press, Sydney.

<sup>468</sup> Bureau of Industry Economics (1996), *Business Licences: international benchmarking*, 96/9, AGPS, Canberra.

<sup>469</sup> Bureau of Industry Economics (1996), *Business Licences and Regulation Reform*, 96/10, AGPS, Canberra.

In his seminal work, Milton Friedman observes that the pressure to introduce a licence most often comes from the members of the occupation, and not from the public.

Licensure therefore frequently establishes essentially the medieval guild kind of regulation in which the state assigns power to the members of the profession. In practice, the considerations taken into account in determining who shall get a license often involve matters that, so far as a layman can see, have no relation whatsoever to professional competence. This is not surprising. If a few individuals are going to decide whether other individuals may pursue an occupation, all sorts of irrelevant considerations are likely to enter. Just what the irrelevant considerations will be, will depend on the personalities of the members of the licensing board and the mood of the time.

The most obvious social cost is that any one of these measures, whether it be registration, certification, or licensure, almost inevitably becomes a tool in the hands of a special producer group to obtain a monopoly position at the expense of the rest of the public. There is no way to avoid this result.<sup>470</sup>

### Costs of licensing as barriers to entry

Traditionally licensing has been associated with barriers to entry, monopoly profits and restricted output. Licences that provide access to scarce resources and limit the quantity of activities undertaken in the sector (so called ‘privilege licences’) impose barriers to entry and convey economic rents.<sup>471</sup>

In the case of licensing individuals (eg, occupational licensing), total social costs of licensing comprises deadweight loss due to the reduced output, rent-seeking costs, and the cost of non-transferable rents.<sup>472, 473</sup> When the licences are non-transferable, as is often the case in occupational licensing, the ownership of specific resources (skills or human capital) produces cost advantages.

Although licensing combined with nonresalability can ensure the quality of new entrants, competition to enter based on the quality at the moment of entry, like competition based on time, creates non-transferable sunk investments and this creates its own barriers to entry.<sup>474</sup>

<sup>470</sup> Friedman, M. (1962), *Capitalism and Freedom*, Chapter IX *Occupational Licensure*.

<sup>471</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material*, pp 33, 50.

<sup>472</sup> Lott, J. R., Jr. (1987), *Licensing and Nontransferable Rents*, *American Economic Review*, June 1987, vol. 77, iss. 3, pp 453-55.

<sup>473</sup> Lott, J. R., Jr. (1989), *Licensing and Nontransferable Rents: Reply*, *American Economic Review*, September 1989, vol. 79, iss. 4, pp 910-12.

<sup>474</sup> Lott, J. R., Jr. (1987), *Licensing and Nontransferable Rents*, *American Economic Review*, June 1987, vol. 77, iss. 3, pp 454-55.

There is an ongoing discussion in the literature about the definition of ‘barriers to entry’ and its interpretation in competition policy and anti-trust litigation. Difficulties with the interpretation of the term ‘barriers to entry’ are discussed in McAfee *et al* (2004) and Carlton (2004).<sup>475, 476</sup> As defined by Bain (1956) or Stigler (1968), licensing will not create barriers to entry as long as the new entrant will face the same entry costs as the incumbent (already licenced).<sup>477, 478</sup> However, the timing of the entry, and the entry of the most efficient supplier, might be delayed due to licensing. Summarising the discussion about prevailing concepts of barriers to entry and their practical implications, Demsetz (1982) concludes:

The issue faced by the attempt to implement a policy toward barriers is that of defining which costs of undertaking activities are socially desirable and which are not.

Licensing, trademark, copyright, patent, ... may or may not be desirable, depending on how these broad implications are valued.<sup>479</sup>

### Licensing in a broader competition policy reform

The economy-wide benefits of competition policy reform have been highlighted in a number of studies. Productivity Commission (2006) estimates that the full implementation of the National Competition Policy, regulatory reform and the associated estimated productivity improvements lead to a nearly 2%, or \$17 billion (2005/06 dollars) increase in real Gross Domestic Product (GDP), compared to the ‘no-change’ scenario.<sup>480</sup>

Barone and Chingano (2010) study the effects of anti-competitive service regulation by examining whether Organisation for Economic Co-operation and Development (OECD) countries with less anti-competitive regulation see better economic performance in manufacturing industries that use less-regulated services more intensively. Their results indicate that lower service regulation increases value added, productivity, and export growth in downstream service intensive industries. The regulation of professional services and energy provision has particularly strong negative growth effects. Their estimates are robust with respect to the different forms of regulation (ie, product and labour market regulation), alternative measures of financial development and a range of other specification checks.<sup>481</sup> Anti-competitive regulation variable also included

<sup>475</sup> McAfee, P.R.; Mialon, H. M.; Williams, M. A. (2004), *What Is a Barrier to Entry?*, American Economic Review, May 2004, vol. 94, iss. 2, pp 461-65.

<sup>476</sup> Carlton, D. W. (2004), *Why Barriers to Entry Are Barriers to Understanding*, American Economic Review, 94(2) pp 466-470.

<sup>477</sup> Bain, J. S. (1956), *Barriers to new competition* Cambridge, MA: Harvard University Press.

<sup>478</sup> Stigler, G. J. (1968), *The organization of industry*, Chicago, IL: University of Chicago Press.

<sup>479</sup> Demsetz, H. (1982), *Barriers to Entry*, American Economic Review, March 1982, vol. 72, iss. 1, pp 47-57.

<sup>480</sup> Productivity Commission (2006), *Potential Benefits of the National Reform Agenda*, Report to the Council of Australian Governments, Canberra.

<sup>481</sup> Barone, G. and Cingano, F. (2010), *Service regulation and growth: evidence from OECD countries*. <http://www.oecd.org/economy/productivityandlongtermgrowth/46329580.pdf>, accessed 21 March 2014.



administrative (red-tape) barriers to entrepreneurship introduced in the earlier studies.<sup>482, 483, 484</sup>

Crafts (2006) provides a literature review on the relationship between economic regulation and productivity.<sup>485</sup> The most important effects of deregulation occur through changes in incentives to invest and innovate. Consistent with endogenous growth models, there is empirical evidence that regulations restricting market entry have a negative effect on total factor productivity (TFP) growth in OECD countries. Regulatory reform and liberalisation of services sectors are found to contribute positively to TFP and economic growth.<sup>486, 487, 488</sup>

On the other hand, economic regulation is necessary to overcome market failures in provision of research and development, and of education (two markets with a significant public-good/ free-rider problem). 'Without regulation, endogenous growth would be adversely affected'.<sup>489</sup>

#### Benefits of licensing: correction of information failure

There is a body of literature that examines informational asymmetry and consumer protection as the rationale for occupational licensing. Akerlof (1970) provides justification for licensing as the means to reduce quality uncertainty.<sup>490</sup> Leland (1979) discusses the model in which markets with informational asymmetry deliver a suboptimal level of quality. When consumers cannot differentiate between low and high-quality providers, "complete market degeneration" might occur with low-cost low-quality providers driving out

<sup>482</sup> Djankov, S., La Porta, R., Lopes-de-Silanes, F. and Shleifer A. (2002), *The Regulation of Entry*, Quarterly Journal of Economics, vol. 117, pp 1-37.

<sup>483</sup> Nicoletti, G. and Scarpetta, S. (2003), *Regulation, productivity and growth: OECD evidence*, Economic Policy, vol. 18, pp 9-72.

<sup>484</sup> Bassanini, A., Nunziata, L. and Venn, D. (2009), 'Job protection legislation and productivity growth in OECD countries', Economic Policy, vol. 24, pp 349-402.

<sup>485</sup> Crafts, N. (2006), *Regulation and Productivity Performance*, Oxf Rev Econ Policy (Summer) 22(2): pp 186-202 doi:10.1093/oxrep/grj012.

<sup>486</sup> Arnold, J. M.; Javorcik, B.; Lipscomb, M.; Mattoo, A. (2012), *Services reform and manufacturing performance: evidence from India*. Policy Research working paper; no. WPS 5948. Washington D.C. - The World Bank. <http://documents.worldbank.org/curated/en/2012/01/15636952/services-reform-manufacturing-performance-evidence-india>, accessed 21 March 2014.

<sup>487</sup> Tarr, D. (2012), *Impact of Services Liberalization on Industry Productivity, Exports and Development: Six Empirical Studies in the Transition Countries*. Policy Research Working Paper 6023, World Bank, April 2012 <http://wbi.worldbank.org/wbi/Data/wbi/wbicms/files/drupal-acquia/wbi/Policy%20Research%206023.pdf>, accessed 21 March 2014.

<sup>488</sup> Eschenbach, F. and Hoekman, B. (2006), *Services Policy Reform and Economic Growth in Transition Economies*, Review of World Economics, vol. 142(4), pp 746-762.

<sup>489</sup> Helm, D. (2006), *Regulatory Reform, Capture, and the Regulatory Burden*, Oxf Rev Econ Policy (Summer) 22(2) pp 175 doi:10.1093/oxrep/grj011.

<sup>490</sup> Akerlof, G. A. (1970), *The Market for 'Lemons': Quality Uncertainty and the Market Mechanism*, Quarterly Journal of Economics, August 1970, vol. 84, iss. 3, pp 488-500.

higher-cost higher-quality ones. In this case, imposition of minimum quality standards through non-transferable licences is socially desirable.<sup>491</sup>

Law and Kim (2005) provide empirical evidence that occupational licensing regulation arose to improve markets as the quality of professional services had become increasingly difficult for consumers to judge.<sup>492</sup>

### Potential for regulatory failure

There is also opposing evidence on the validity of the licensing rationale and the purpose of some licences. Skarbek (2008) examines the United States data covering the period of the temporary relaxation of the licensing rules for roofers following hurricanes in Florida. He finds little evidence of significant detrimental effects from the policy change, and suggests that the temporary reform of licensing should be adopted permanently.<sup>493</sup>

Powell and Vorotnikov (2012) find evidence of rent-seeking behaviour in real estate licence requirements for continuing education, based on the state level data from Massachusetts. Since the introduction of a continuing education component to the licensing requirements for real estate agents, the number of licenced agents dropped and the income of remaining agents increased.<sup>494</sup>

Hoffmaister (2010), using Spanish data, provides evidence that barriers to entry in retail distribution, including licensing requirements, increase regional prices.<sup>495</sup>

These findings support the Friedman's assessment of licensing as the tool to gain monopoly position by restricting entry to the occupation and preventing competition.

Helm (2006) discusses how to prevent regulatory capture by choosing regulatory instruments appropriately. Regulatory capture arises when 'vested interests bias the incentives of regulators and governments to act in their interests rather than the broader public interests', a manifestation of the principal-agent problem.<sup>496</sup> Regulatory capture yields both excess demand and excess supply of regulation.

<sup>491</sup> Leland, H. E. (1979), *Quacks, Lemons, and Licensing: A Theory of Minimum Quality Standards*, *Journal of Political Economy*, December 1979, vol. 87, iss. 6, pp 1328-46.

<sup>492</sup> Law, M. T. and Kim, S. (2005), *Specialization and Regulation: The Rise of Professionals and the Emergence of Occupational Licensing Regulation*, *Journal of Economic History*, September 2005, vol. 65, iss. 3, pp 723-56.

<sup>493</sup> Skarbek, D. (2008), *Occupational Licensing and Asymmetric Information: Post-hurricane Evidence from Florida*, *Cato Journal*, Winter 2008, vol. 28, iss. 1, pp 73-82.

<sup>494</sup> Powell, B. and Vorotnikov, E. (2012), *Real Estate Continuing Education: Rent Seeking or Improvement in Service Quality?*, *Eastern Economic Journal*, Winter 2012, vol. 38, iss. 1, pp 57-73.

<sup>495</sup> Hoffmaister, A. W. (2010), *Barriers to Retail Competition and Prices: Evidence from Spain*, *Oxford Economic Papers*, April 2010, vol. 62, iss. 2, pp 395-416.

<sup>496</sup> Helm, D. (2006), *Regulatory Reform, Capture, and the Regulatory Burden*, *Oxf Rev Econ Policy* (Summer) 22(2): p 174 doi:10.1093/oxrep/grj011.

### The need for balanced and measured approach to Red Tape reform

‘Red tape’ has been used as an umbrella term referring to the range of perceived costs associated with bureaucracy, both public and private.<sup>497</sup> The Standard Cost Model (SCM) developed and pioneered by the Dutch government has been widely accepted as the tool to measure administrative burden. Malyshev (2006) provides a review of regulatory policy development and implementation in OECD countries, including application of the SCM to measure administrative burden of regulation.<sup>498</sup>

Keyworth (2006) stresses that “the SCM does *not* provide for the assessment of the impacts of information obligations within a cost-benefit framework”, and thus “clearly has a significantly narrower focus” than a Regulatory Impact Assessment (RIA).<sup>499</sup> The benefits of reducing the administrative burden are likely to be dispersed, leading to questions about extent and consistency of political commitments, and the potential scope of agency problems:

...this associated reform activity may generate significant opportunities for the emergence of other forms of regulatory failure, and the extent to which more efficient outcomes are likely to be generated – and unintended consequences avoided – is likely to be heavily dependent on the quality of the RIA process by which potential changes to information obligations are evaluated.<sup>500</sup>

Broad aggregate proposals to reduce administrative burden have been formulated in the OECD countries. The United Kingdom (UK) Government expects the administrative red-tape reform to deliver benefits equal to 1% of the UK GDP. The Dutch government estimated the baseline administrative burden at 3.6% of the GDP.<sup>501, 502</sup> Helm (2006) warns against over-simplification of the public debate about the regulatory reform and proposes to focus on ‘when, where and how to regulate, rather than on crude aggregate estimates of total burden’.<sup>503</sup>

To recap, so far it has been established that: regulatory burden cannot be considered independently of the objectives of policy, and much of the ‘red tape’ debate surrounds issues where equity and other objectives conflict with efficiency; that the link between regulation and economic performance is tenuous and complex, and there is no *a priori* reason to expect a tight negative causal relationship between them; and that there are few or no appropriately structured data on regulation and regulatory burden upon

<sup>497</sup> Keyworth, T. (2006), *Measuring and Managing the Costs of Red Tape: A Review of Recent Policy Developments*, Oxf Rev Econ Policy (Summer) 22(2): pp 260-273 doi:10.1093/oxrep/grj016.

<sup>498</sup> Malyshev, N. (2006), *Regulatory Policy: OECD Experience and Evidence*, Oxf Rev Econ Policy (Summer) 22(2): pp 274-299 doi:10.1093/oxrep/grj017.

<sup>499</sup> Keyworth, T. (2006), *Measuring and Managing the Costs of Red Tape: A Review of Recent Policy Developments*, Oxf Rev Econ Policy (Summer) 22(2): p 268 doi:10.1093/oxrep/grj016.

<sup>500</sup> Ibid, p 272.

<sup>501</sup> Ibid, p 260.

<sup>502</sup> Malyshev, N. (2006), ‘Regulatory Policy: OECD Experience and Evidence’ Oxf Rev Econ Policy (Summer) 22(2): p 284 doi:10.1093/oxrep/grj017.

<sup>503</sup> Helm, D. (2006), *Regulatory Reform, Capture, and the Regulatory Burden*, Oxf Rev Econ Policy (Summer) 22(2) p 169 doi:10.1093/oxrep/grj011.

which to base empirical tests of the relationship (and most of the broad claims about the size of the regulatory burden are little more than assertions). It has, however, been shown that there are good theoretical reasons for expecting the regulatory burden to be excessive, and hence a critical approach to existing and future regulations is the appropriate policy stance.<sup>504</sup>

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<sup>504</sup> Ibid, p 177.

## C NSW local council licence survey (2011/12) results

**Table C.1 NSW local council licence survey: response rate by level of analysis**

Status	Number of councils	Response rate	Population within councils	Response rate
Responded	113	74.3%	6,205,812	85.8%
Not responded	39	25.7%	1,025,661	14.2%
<b>Total</b>	<b>152</b>		<b>7,231,473</b>	

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Table C.2 NSW local councils who did not return a completed survey**

Local council name	LG Group
Balranald Shire Council	9
Blacktown City Council	3
Bombala Council	9
Boorowa Council	9
Brewarrina Shire Council	8
Cobar Shire Council	10
Conargo Shire Council	8
Coolamon Shire Council	9
Deniliquin Council	4
Dungog Shire Council	10
Gloucester Shire Council	10
Gundagai Shire Council	9
Gwydir Shire Council	10
Harden Shire Council	9
Hay Shire Council	9
Kyogle Council	10
Lachlan Shire Council	10
Leichhardt Municipal Council	2
Lismore City Council	4
Liverpool City Council	7
Manly Council	2
Marrickville Council	3
Moree Plains Shire Council	11

Local council name	LG Group
Murray Shire Council	10
Narromine Shire Council	10
Palerang Council	11
Rockdale City Council	3
Snowy River Shire Council	10
Tenterfield Shire Council	10
The Council of the Municipality of Hunters Hill	2
The Council of the Shire of Wakool	9
Tumbarumba Shire Council	9
Tumut Shire Council	11
Uralla Shire Council	10
Urana Shire Council	8
Walcha Council	9
Weddin Shire Council	9
Wellington Council	10
Yass Valley Council	11

**Note:** IPART Local Government Team (LG Team) database is based on the Australian Bureau of Statistics (ABS) groupings.

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Table C.3 Council groupings from LG database**

LG Group No.	Group Name	Councils in the group
1	Urban Capital City cat.1	1
2	Urban Medium Metropolitan Developed (pop. 30,001-70,000) cat. 3	15
3	Urban Very Large Metropolitan Developed (pop. >120,000) cat. 5	16
4	Urban Medium Regional Town/City (pop. 30,001-70,000) cat. 7	32
5	Urban Very Large Regional Town/City (pop. >120,000) cat. 9	6
6	Urban Medium Fringe (pop. 30,001-70,000) cat. 11	3
7	Urban Very Large Fringe (pop. >120,000) cat. 13	8
8	Rural Small Agricultural (pop. up to 2,000) cat. 15	4
9	Rural Medium Agricultural (pop. 2,001-5,000) cat. 16	21
10	Rural Large Agricultural (pop. 5,001-10,000) cat. 17	25
11	Rural Large Remote (pop. 3,001 to 20,000) cat. 22	21
<b>Total:</b>		<b>152</b>

**Note:** IPART LG Team database groupings.

**Table C.4 Licence classification by Business Licence Information Service (BLIS) ID**

<b>BLIS_ID</b>	<b>BLIS_Licence type</b>
1	Building certificate
2	Approval to place or display items on a road or in a public place
3	Approval to install or operate amusement devices
4	Approval to install, construct or alter a waste treatment device or a human waste storage facility or a drain connected to any such device or facility
5	Approval to lease land above or below a public road
6	Approval to operate a manufactured home estate
7	Approval to operate a system of sewage management
8	Approval to place a waste storage container in a public place
9	Approval to place waste in a public place
10	Approval to swing or hoist goods across or over any part of a public road by means of a lift hoist or tackle projecting over the footway
11	Approval to transport waste over or under a public place
12	Approval to undertake works on or near roads
13	Approval to use a vehicle, stall or stand to sell any article in a public place
14	Approval to use or erect structures on a footway for restaurant purposes
15	Approval for domestic grey water diversion
16	Approval to direct or procure a theatrical musical or other entertainment for the public
17	Approval to dispose of waste into a sewer of the council
18	Approval to engage in a trade or business
19	Approval to install a domestic oil or solid fuel heating appliance other than a portable appliance
20	Approval to install a manufactured home, moveable dwelling or associated structure on land
21	Approval to deliver a public address or hold a religious service or public meeting
22	Approval to operate a caravan park or camping ground
23	Approval to manage trees or vegetation
24	Approval to set up, operate or use a loudspeaker or sound amplifying device
25	Approval to operate a public car park
26	Development consent
27	Compliance certificate
28	Occupation certificate
29	Subdivision certificate
30	Construction certificate
31	Final fire safety certificate
32	Companion animal registration
33	Approval to lease an unused public road
34	Permit to conduct an event on a road
35	Public gate permit
36	Registration of water-cooling and warm-water systems

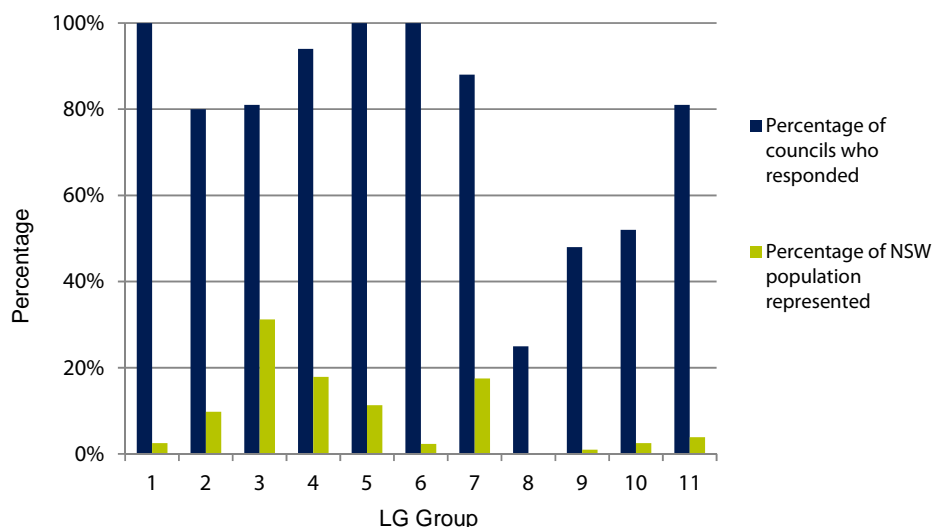
BLIS_ID	BLIS_Licence type
37	Approval to connect a private drain or sewer with a public drain or sewer
38	Approval to construct a temporary enclosure for the purpose of entertainment
39	Approval to install, alter, disconnect or remove a meter connected to a service pipe
40	Approval for filming
41	Approval to play a musical instrument or sing for fee or reward
42	Approval to carry out stormwater drainage work
43	Approval to carry out water supply work
44	Approval to draw or sell water from a council water supply or a standpipe
45	Approval to carry out sewerage work
46	Certificate of compliance for swimming pools
47	Bushfire hazard reduction certificate
48	Notification of skin penetration premises

### C.1 Responding vs non-responding councils

The licence survey of local councils managed to procure licensing data covering 85.8% of NSW population, which was a very high response rate.

However, there was a clear difference between responding and non-responding councils based on their grouping (using the IPART Local Government Team database grouping). In particular, rural agricultural councils (Groups 8-10) produced a low response rate of between 25% and 52% (see Figure C.1).

**Figure C.1 NSW local council response rates by LG council Group vs percentage of NSW population they represent**



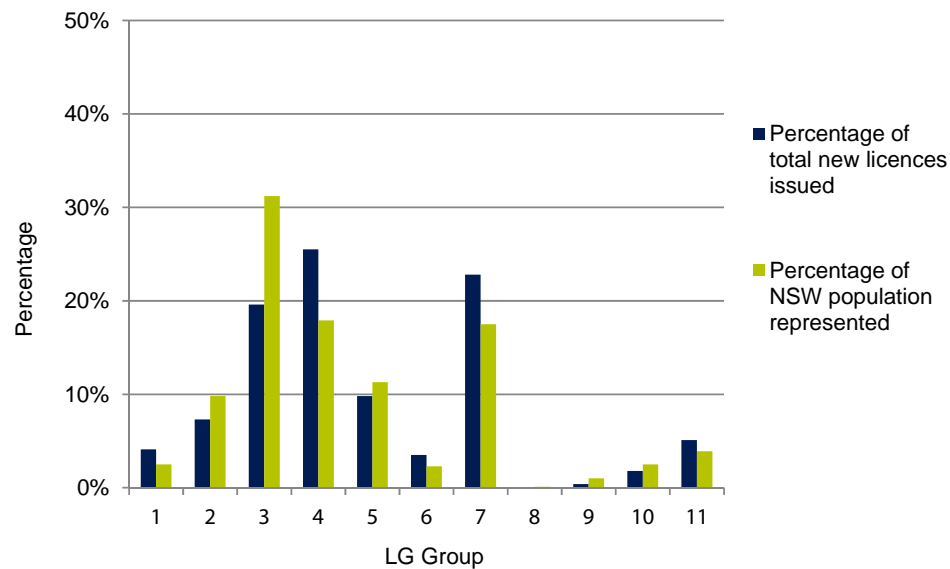
**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).



**Observations:**

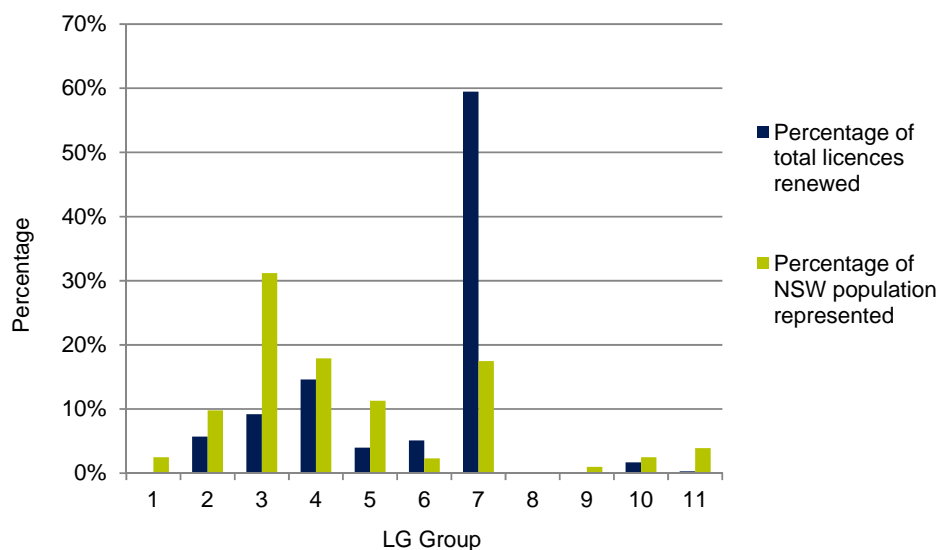
- ▼ The lowest response rate was among rural agricultural councils (Groups 8-10) (who are likely to have a different mix of licence types compared to city council populations).
- ▼ Group 8 was particularly difficult to extrapolate data for (there are only a small number of councils, 4, within Group 8 and only 1 survey return was received).
- ▼ Councils with low response rates account for only 3.6% of the NSW population.

**Figure C.2 NSW local council licences: total new licences (2011/12) – by LG Group**



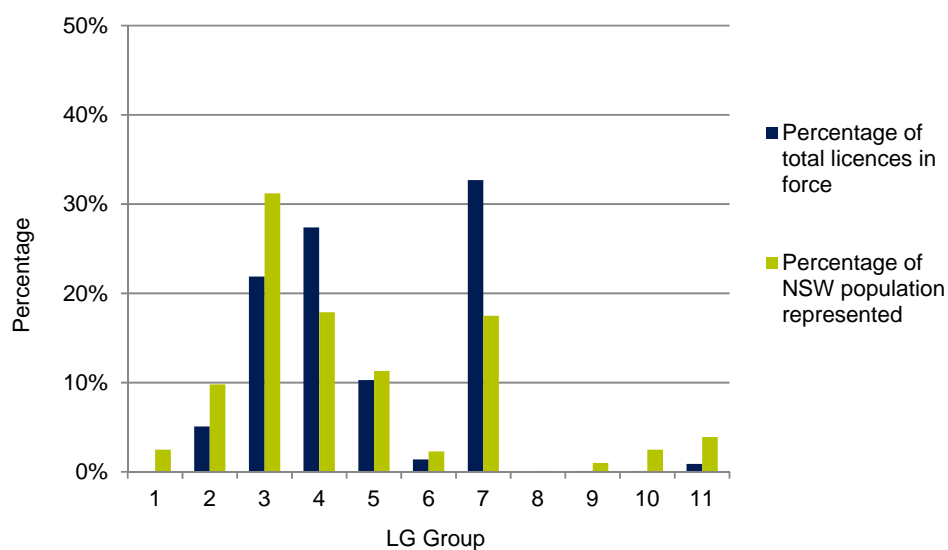
**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Figure C.3 NSW local council licences: total licences renewed (2011/12) – by LG Group**



**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Figure C.4 NSW local council licences: total licences in force (2011/12) – by LG Group**



**Note:** Licences 'in force' on 30 June 2012.

**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Observations:**

- ▼ Group 7 accounted for a disproportionately high number of licences in all 3 categories. It was suspected that, for BLIS ID 9, the number of new licences reported by Campbelltown Council was an outlier (37,665 total new licences).

**Data problems addressed:**

- ▼ *Suspected outlier*
  - Respondent councils in Group 7 (Urban very large fringe, pop > 120,000) accounted for a disproportionately high number of licences in all 3 categories. Our suggested explanation rested with a potential outlier, BLIS ID 9 (Approval to place waste in public place), recorded as 37,665 total new licences for Campbelltown Council.
  - A follow-up call was made to the council to enquire about the unusually high number of licences corresponding to this item. It was confirmed with the council that a record is made each time a household calls for a scheduled pick-up as part of their allowable 4 free kerbside clean-ups per year. No scheduled council clean-up days are administered by this council.
  - Taking into account the administration time associated with handling such individual requests, we consider it a valid licence according to our definition, and kept this observation, unadjusted, in the database. However, there may be other councils (who administer this or a similar licence) who did not include these requests as licences in their survey responses.

**C.2 Misreported BLIS ID – (raw data)****Observations:**

- ▼ The list of BLIS categories was extended by councils (317 records of misclassified BLIS by 60 councils).
- ▼ This represents about 5% of total licences in force, but for some groups the share of additional licence types is much higher.

**Data problems addressed:**

- ▼ *Licence types not in BLIS*
  - The list of BLIS categories was extended by 60 councils, or 53% of responding councils. There were 317 records of additional or potentially misclassified BLIS IDs, representing about 5% of total licences in force. However, for some groups, the share of these unattributed licences was much higher (24% for Group 5, Urban very large regional town/city, pop > 120,000), hence it was necessary to examine these records in more detail.

**Table C.5 Analysis of licence types (in force) outside BLIS by LG**

LG Group	Not in BLIS (additional) total in force	Total licences in force (raw)	Percentage of total outside BLIS
1	0	208	0.0%
2	3,500	44,704	7.8%
3	8,953	193,736	4.6%
4	4,200	242,102	1.7%
5	22,236	91,097	24.4%
6	22	12,791	0.2%
7	3,829	288,897	1.3%
8	0	4	0.0%
9	0	764	0.0%
10	0	756	0.0%
11	247	8,372	3.0%
<b>Total</b>	<b>42,987</b>	<b>883,431</b>	<b>4.9%</b>

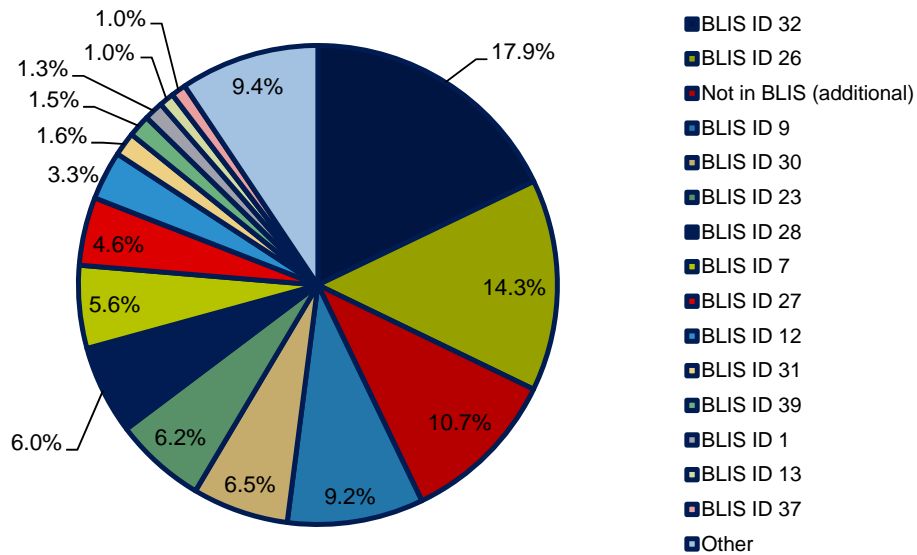
**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

- Upon examination of these additional licence records, we established that there was no unambiguous way to reclassify them into the existing categories. Some of these additional licence types could have been originally allocated to an existing BLIS category (especially street advertising, food stalls, and various public events on community land), but it would be impossible to re-classify them retrospectively without distorting the data. Some licence categories were genuinely new (eg, private swimming pools regulations). Some licence types are potentially court-related (eg, outstanding notice order certificates) and were excluded from our definition of a licence.
- Having assessed all these factors, we decided to consider these additional licence types as a special category (coded as BLIS ID 999, 'Not in BLIS (additional)') reflecting the lack of consistency between the councils' approaches to treating the similar licences, and also reflecting newly introduced licences.

### C.3 Preliminary analysis of local council licences by BLIS ID

Analysis presented in this section is based on raw survey data with a potential outlier classified as valid data (included in the analysis), and additional licence types not in BLIS coded in a separate single category ('Not in BLIS (additional)').

**Figure C.5 NSW local council licences: percentage of total new licences (2011/12) – by BLIS ID**



**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Observations:**

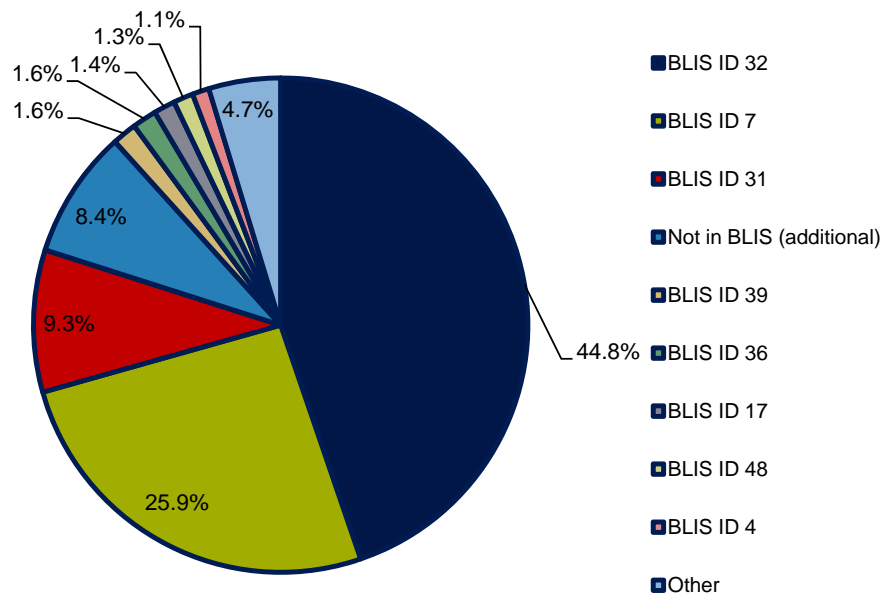
- ▼ 9 types of licences account for more than 80% of total new licences. The top 3 are:
  - companion animal registration
  - development consent
  - not in BLIS (additional).

**Table C.6 NSW local council licences: leading types of new licences issued by local councils (2011/12)**

Licence type	BLIS_ID	Percentage of total new	Cumulative percentage
Companion animal registration	32	17.9%	17.9%
Development consent	26	14.3%	32.2%
Not in BLIS (additional)	999	10.7%	42.8%
Approval to place waste in a public place	9	9.2%	52.0%
Construction certificate	30	6.5%	58.5%
Approval to manage trees or vegetation	23	6.2%	64.7%
Occupation certificate	28	6.0%	70.8%
Approval to operate a system of sewage management	7	5.6%	76.4%
Compliance certificate	27	4.6%	81.0%
Approval to undertake works on or near roads	12	3.3%	84.2%
Final fire safety certificate	31	1.6%	85.8%
Approval to install, alter, disconnect or remove a meter connected to a service pipe	39	1.5%	87.3%
Building certificate	1	1.3%	88.6%
Approval to use a vehicle, stall or stand to sell any article in a public place	13	1.0%	89.6%
Approval to connect a private drain or sewer with a public drain or sewer	37	1.0%	90.6%
Other	-	9.4%	100.0%

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Figure C.6 NSW local council licences: percentage of total renewed licences (2011/12) – by BLIS ID**



**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

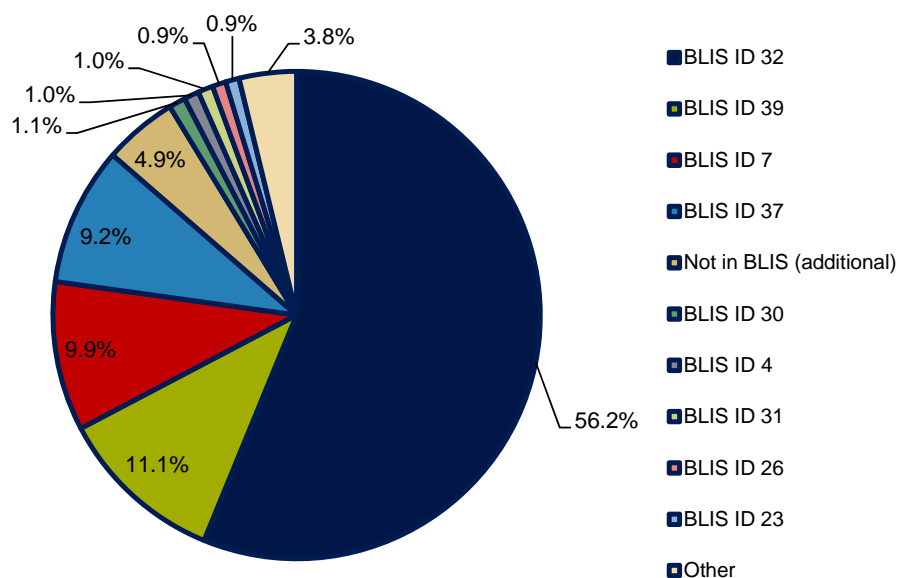
**Observations:**

- ▼ 3 types of licences (being companion animal registration, approval to operate a system of sewage management and final fire safety certificate) account for 80% of total renewals, and 5 licences for 90% of renewals.

**Table C.7 NSW local council licences: leading types of licences renewed by local councils (2011/12)**

Licence type	BLIS_ID	Percentage of total renewed	Cumulative percentage
Companion animal registration	32	44.8%	44.8%
Approval to operate a system of sewage management	7	25.9%	70.7%
Final fire safety certificate	31	9.3%	80.0%
Not in BLIS (additional)	999	8.4%	88.4%
Approval to install, alter, disconnect or remove a meter connected to a service pipe	39	1.6%	90.0%
Registration of water-cooling and warm-water systems	36	1.6%	91.6%
Approval to dispose of waste into a sewer of the council	17	1.4%	92.9%
Notification of skin penetration premises	48	1.3%	94.2%
Approval to install, construct or alter a waste treatment device or a human waste storage facility or a drain connected to any such device or facility	4	1.1%	95.3%
Other	-	4.7%	100.0%

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

**Figure C.7 NSW local council licences: percentage of total licences in force (30 June 2012) – by BLIS ID**

**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).



**Observations:**

- ▼ Three types of licences (being companion animal registration, approval to install, alter, disconnect or remove a meter connected to a service pipe and approval to operate a system of sewage management) account for almost 80% of total licences in force, and 5 licences for 90% of total in force.

**Table C.8 NSW local council licences: leading types of local council licences in force (30 June 2012)**

Licence type	BLIS_ID	Percentage of total in force	Cumulative percentage
Companion animal registration	32	56.2%	56.2%
Approval to install, alter, disconnect or remove a meter connected to a service pipe	39	11.1%	67.3%
Approval to operate a system of sewage management	7	9.9%	77.2%
Approval to connect a private drain or sewer with a public drain or sewer	37	9.2%	86.4%
Not in BLIS (additional)	999	4.9%	91.3%
Construction certificate	30	1.1%	92.4%
Approval to install, construct or alter a waste treatment device or a human waste storage facility or a drain connected to any such device or facility	4	1.0%	93.4%
Final fire safety certificate	31	1.0%	94.4%
Development consent	26	0.9%	95.3%
Approval to manage trees or vegetation	23	0.9%	96.2%
Other	-	3.8%	100.0%

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

#### **C.4 Breakdown of data by Individual/Business/Small Business licences**

Taking into account the quality of survey data, it was only possible to impute the total number (count) of local council licences in 3 categories (new, renewed and in force). Breakdown of data by individual and business (including small business) was available for 7% to 11% of observations, depending on the category (new/renewed/in force). Reported non-zero data for individual/business/small category identified 2% to 21% of total licences as individual, and 1% to 9% of all licences as business including small business (Table C.9).

**Table C.9 NSW local council licences: availability of disaggregated data on individual/ business licences**

Licence count	Total	Individual	Business	Small Business	Individual	Business	Small Business
	(raw count)	(reported as percentage of total count)			(percentage of reported observations)		
Total new	412,189	6.1%	2.9%	1.2%	9.8%	10.7%	8.2%
Total renewed	84,108	2.1%	8.7%	3.3%	7.1%	8.1%	7.1%
Total in force	883,431	20.9%	3.0%	1.0%	7.8%	9.4%	7.6%

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

For those observations where small business licences were reported, they represented between 72% to 77% of all business licences (200, 80 and 150 observations, respectively). For complete observations reporting data for business/individual categories, business licences accounted for 64% of total new licences, 92% of renewed, and 77% of total licences in force (383, 115 and 273 observations, respectively).

Small sample size makes it impossible to draw statistically significant implications for the number of licences at the individual/business/small business level cross-tabulated by BLIS ID. However, some BLIS IDs allow further analysis at a disaggregated level.

For example, in the subsample allowing for such a data breakdown, almost all (90% to 100%) licences related to the display of advertising (BLIS ID 2) and outdoor restaurant seating (BLIS ID 14) were classified as business licences. Of these, 93% to 100% were classified as Small Business. For BLIS ID 26 Development Consent, the share of business applicants in the subsample was 33%, of which 39% were classified as Small Business.

## C.5 Imputation of missing values – Total licence count estimates

With 74.3% of councils responding, covering 85.8% of the NSW population, the task was to impute licence counts for missing values to produce estimates of total local council licences (new, renewed and in force).

### Extrapolating a 74.3% response rate to a 100% count

To construct adjustment weights, we used the data from the IPART Local Government database. This database combines data from Division of Local Government (DLG) Comparative Statistics, ABS Regional Profile Information, council financial information provided by DLG to IPART, and special variation and minimum rate history data. Councils are distributed across 11 groups in this database. We merged the local council survey response data with the LG Team data and first checked if this grouping provides a reasonable strata definition for our purposes. Variables in the merged dataset included area, population density and other population characteristics (average income, unemployment rate, per cent rural and remote), council financial data including rates (separately for residential, business, farmland and mining properties), FTE council staff, etc.

The major challenge to address was the extrapolation of the councils with highest nonresponse rates (LG groups 8, 9 and 10 – rural agricultural), as they were different from an average respondent council.

We explored several models based on these auxiliary variables to build adjustment weights to correct for the nonresponse bias in the local council survey return. Note that the distribution of licence counts does not belong to the normal distribution family, as there is large mass attached to zero (no licences reported in a BLIS category). A 2-part model was attempted to estimate response probability (binomial logit for positive response) and a log-linear regression model of positive number of licences reported. The explanatory power of the model was very low, and coefficients insignificant except for LG group.

SPSS algorithms of missing value imputation for non-responding councils included fitting missing values by series mean, grouped series mean, linear interpolation and grouped mean. In the end, the local government group was found to be the only significant explanatory variable to stratify data and impute missing values for licence counts per capita. There is a large prediction error in imputing licence counts for an individual council, hence only group aggregates were estimated.

Two models using oversampling with inverse response probability weights were applied to extrapolate the licence counts to the non-respondent population. The models were based on average total licence densities (per capita licence counts) within a local government group (LG Group Model), and licence densities by type (BLIS ID) and LG Group (LG and BLIS Model). To derive the lower/upper bounds for extrapolating the total count, we used the minimum/maximum licence densities (licences per capita) by LG group (see Table C.10).

In the end, we used a simpler model to impute the missing count of licences. Results are presented in Table C.10.

**Table C.10 Band estimate for total NSW local council licence count**

Licence count	Lower bound	Mean (LG Group)	Ave(Mean)	Mean (LG and BLIS)	Upper bound
Total new	459,101	472,799	474,012	475,226	507,616
Total renewed	84,108	96,422	97,029	97,636	131,601
Total in force	884,597	1,000,244	1,004,785	1,009,326	1,157,574

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

Hence, extrapolating data to cover 100% of the NSW population, we estimate that in 2011/12 there were approximately 474,000 new licences, 97,000 renewed licences and 1,005,000 total licences in force at the local council level (Table C.10).

### Breakdown of extrapolated totals by licence type (BLIS ID)

Analysis of the extrapolated data confirms that the ranking and relative share of licence types determined by their BLIS ID holds with minor change to percentages in the extrapolated data. This is intuitive, as non-respondent councils with the largest degree of dissimilarity from the mean represented only 3.6% of the total population.

### What are the implications of nonresponses for our review?

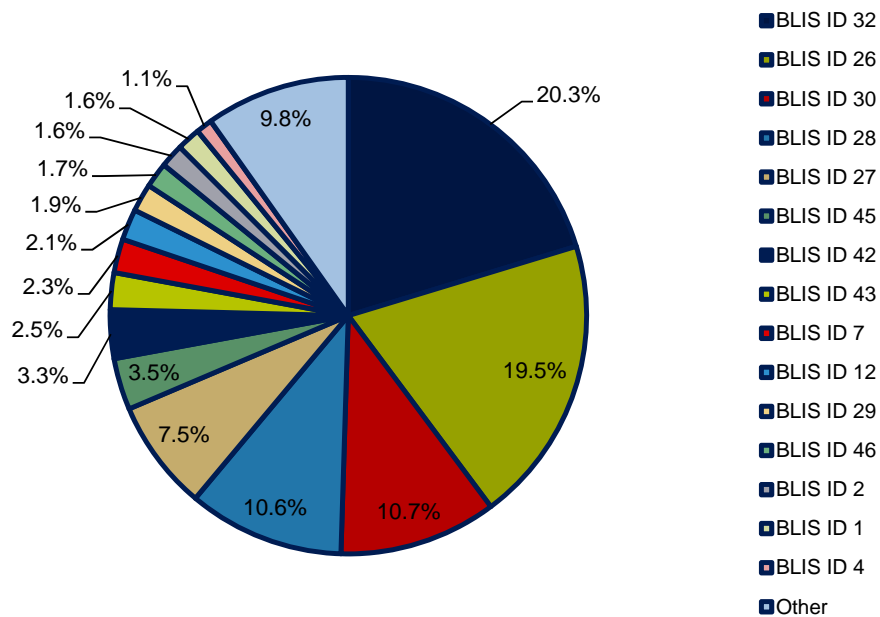
Our local council survey response was very high (74.3%), covering a large proportion of the NSW population (85.8%). The population of council types with a low response rate constitutes only a small proportion of the NSW population (3.6%). The local council survey data, both raw and extrapolated:

- ▼ provide a comprehensive picture of the range and type of licences administered by councils in NSW
- ▼ allow us to identify licences that are significant at the state-wide level (ie, licences that affect a relatively large number of people), and hence potential reform priorities (subject to further analysis and stakeholder input).

### C.6 Analysis of rural and remote local council licences by BLIS ID

Analysis in this section is based on raw survey data with the 3 low response councils (LG Groups 8, 9 and 10) consolidated in a single category, 'LG8910'. The purpose of this analysis is to confirm the differences in licence structure in rural agricultural areas from that of the general NSW population.

**Figure C.8 NSW rural and remote council licences: percentage of total new licences, LG8910 (2011/12) – by BLIS ID**



**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

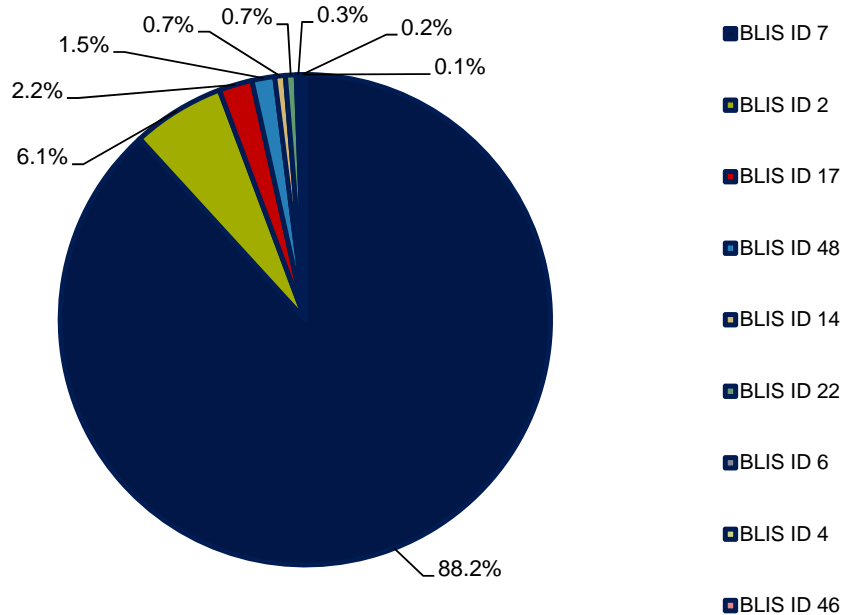
**Table C.11 NSW rural and remote council licences: leading types of new licences issued by local councils, LG8910 (2011/12)**

Licence type	BLIS ID	Percentage of total new	Cumulative percentage
Companion animal registration	32	20.3%	20.3%
Development consent	26	19.5%	39.8%
Construction certificate	30	10.7%	50.5%
Occupation certificate	28	10.6%	61.1%
Compliance certificate	27	7.5%	68.6%
Approval to carry out sewerage work	45	3.5%	72.1%
Approval to carry out stormwater drainage work	42	3.3%	75.4%
Approval to carry out water supply work	43	2.5%	77.9%
Approval to operate a system of sewage management	7	2.3%	80.3%
Approval to undertake works on or near roads	12	2.1%	82.3%
Subdivision certificate	29	1.9%	84.2%
Certificate of compliance for swimming pools	46	1.7%	85.9%
Approval to place or display items on a road or in a public place	2	1.6%	87.5%
Building certificate	1	1.6%	89.1%
Approval to install, construct or alter a waste treatment device or a human waste storage facility or a drain connected to any such device or facility	4	1.1%	90.2%
Other	-	9.8%	100.0%

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

Note that licence types related to companion animal (BLIS ID 32), building and construction (BLIS ID 26, 30, 28, 27) and water-sewage (45, 42, 7) are still the most important categories. Licence BLIS ID 9 (Approval to place waste in public place) and 23 (approval to manage trees or vegetation) have disappeared from the list of the most prevalent licence types.

**Figure C.9 NSW rural and remote council licences: percentage of total renewed licences, LG8910 (2011/12) – by BLIS ID**



**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

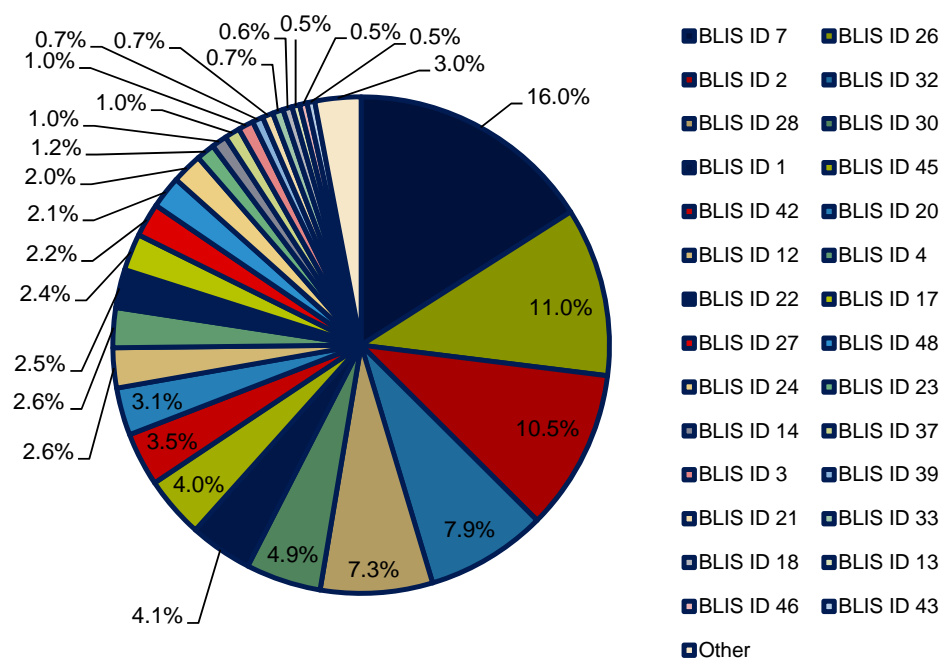
**Table C.12 NSW rural and remote council licences: leading types of licences renewed by local councils, LG8910 (2011/12)**

Licence type	BLIS ID	Percentage of total renewed	Cumulative percentage
Approval to operate a system of sewage management	7	88.2%	88.2%
Approval to place or display items on a road or in a public place	2	6.1%	94.3%
Approval to dispose of waste into a sewer of the council	17	2.2%	96.5%
Notification of skin penetration premises	48	1.5%	98.0%
Approval to use or erect structures on a footway for restaurant purposes	14	0.7%	98.7%
Approval to operate a caravan park or camping ground	22	0.7%	99.4%
Approval to operate a manufactured home estate	6	0.3%	99.7%
Approval to install, construct or alter a waste treatment device or a human waste storage facility or a drain connected to any such device or facility	4	0.2%	99.9%
Certificate of compliance for swimming pools	46	0.1%	100.0%

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

Note that BLIS ID 32 Companion animal registration, the leading type of renewed licence state-wide, is no longer on the list. BLIS ID 7 Approval to operate a system of sewage management moves from the second position on the list for total population to the first and predominant position on the rural and remote councils list (88.2% of all renewals).

**Figure C.10 NSW rural and remote council licences: percentage of total licences in force, LG8910 (30 June 2012) – by BLIS ID**



**Data source:** IPART analysis based on responses to NSW local council licence survey (2011/12).



**Table C.13 NSW rural and remote council licences: leading types of local council licences in force, LG8910 (30 June 2012)**

Licence type	BLIS ID	Percentage total in force	Cumulative percentage
Approval to operate a system of sewage management	7	16.0%	16.0%
Development consent	26	11.0%	27.0%
Approval to place or display items on a road or in a public place	2	10.5%	37.5%
Companion animal registration	32	7.9%	45.3%
Occupation certificate	28	7.3%	52.7%
Construction certificate	30	4.9%	57.6%
Building certificate	1	4.1%	61.7%
Approval to carry out sewerage work	45	4.0%	65.7%
Approval to carry out stormwater drainage work	42	3.5%	69.3%
Approval to install a manufactured home, moveable dwelling or associated structure on land	20	3.1%	72.4%
Approval to undertake works on or near roads	12	2.6%	75.0%
Approval to install, construct or alter a waste treatment device or a human waste storage facility or a drain connected to any such device or facility	4	2.6%	77.6%
Approval to operate a caravan park or camping ground	22	2.5%	80.1%
Approval to dispose of waste into a sewer of the council	17	2.4%	82.4%
Compliance certificate	27	2.2%	84.6%
Notification of skin penetration premises	48	2.1%	86.7%
Approval to set up, operate or use a loudspeaker or sound amplifying device	24	2.0%	88.8%
Approval to manage trees or vegetation	23	1.2%	90.0%
Approval to use or erect structures on a footway for restaurant purposes	14	1.0%	90.9%
Approval to connect a private drain or sewer with a public drain or sewer	37	1.0%	91.9%
Approval to install or operate amusement devices	3	1.0%	92.9%
Approval to install, alter, disconnect or remove a meter connected to a service pipe	39	0.7%	93.6%
Approval to deliver a public address or hold a religious service or public meeting	21	0.7%	94.4%
Approval to lease an unused public road	33	0.7%	95.0%
Approval to engage in a trade or business	18	0.6%	95.6%

Licence type	BLIS ID	Percentage total in force	Cumulative percentage
Approval to use a vehicle, stall or stand to sell any article in a public place	13	0.5%	96.1%
Certificate of compliance for swimming pools	46	0.5%	96.6%
Approval to carry out water supply work	43	0.5%	97.0%
Other	Other	3.0%	100.0%

**Source:** IPART analysis based on responses to NSW local council licence survey (2011/12).

Note that BLIS ID 32 Companion animal registration, the leading type of in force licence state-wide, has dropped to 4th on the list, accounting for only 7.9% of LG8910 in force licences. BLIS ID 7 Approval to operate a system of sewage management moves from the third position on the list for total population to the first and predominant position on the rural agricultural councils list (16.0% of all licences in force). In addition, by comparing Table C.13 with the state-level breakdown of licences in force by BLIS ID, we can observe that the 'licence set' of rural agricultural councils is more diversified than/not as concentrated as that in the urban areas and state-wide.

## D NSW Government department/agency licence survey (2011/12) results

This appendix presents updated NSW Government department/agency licence survey results following the correction of data errors made by some agencies in their survey responses. As such, some data presented in this appendix differs from the data present in our Draft Report.

**Table D.1 NSW Government departments/agencies who did not respond to the licence survey**

Department	Agency	Sub-agency
NSW Department of Attorney General and Justice	Corrective Services NSW	Serious Offenders Review Council
	Legal Aid NSW	
	Office of the NSW State Coroner	
	Office of the Professional Standards Councils	
	Office of the Registrar	
	Aboriginal Land Rights Act 1983	
	Solicitor General and Crown Advocate	
	State Emergency Service	
	Victims Advisory Board	
	Young Offenders Advisory Council	
NSW Department of Education and Communities	Community and Migrant Education	
	Community Relations Commission	
	Macquarie University	
	NSW Aboriginal Education Consultative Group Incorporated	
	NSW Aboriginal Land Council	
	NSW Adult Migrant English Service	
	NSW Board of Vocational Education and Training	

D NSW Government department/agency licence  
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Department	Agency	Sub-agency
	Sport and Recreation	Sport and Recreation Advisory Committee
	University of New England	
	University of Newcastle	
	University of Wollongong	
	Youth Advisory Council	
NSW Department of Family and Community Services	Ageing, Disability and Home Care	NSW Ministerial Advisory Committee on Ageing
	Disability Council of NSW	
	Home and Community Care Program Advisory Committee	
NSW Department of Finance and Services	Financial Counselling Trust Fund	
	Land and Property Information	
	Motor Vehicle Industry Advisory Council	
	NSW Fair Trading	Fair Trading Advisory Council
	NSW Fair Trading	Property Services Advisory Council
	NSW Government Telecommunications Authority	
	Rental Bond Board	
	SAS Trustee Corporation	
	Taxation Hardship Review Board	
NSW Department of Premier and Cabinet	Aboriginal Trust Fund Repayment Scheme	
	Department of Planning and infrastructure	Sydney Metropolitan Development Authority
	Division of Local Government	Local Government Boundaries Commission
	Division of Local Government	Local Government Remuneration Tribunal
	Government Group	
	Inspector of the Police Integrity Commission	
	Office of Environment and Heritage	Heritage Branch
	Office of Environment and Heritage	Historic Houses Trust of NSW
	Office of Environment and Heritage	Western Sydney Parklands Trust
	Premier's Expert Advisory Council for Women	

Department	Agency	Sub-agency
NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Advisory Council on Recreational Fishing
	Department of Primary Industries	Agricultural Scientific Collections Trust
	Department of Primary Industries	Exhibited Animals Advisory Committee
	Department of Primary Industries	Fisheries Scientific Committee
	Department of Primary Industries	McGarvie Smith Institute Trust
	Department of Primary Industries	Noxious Weeds Advisory Committee
	Department of Primary Industries	Riverina Citrus
	Division of Resources and Energy	Coal Competence Board
	Division of Resources and Energy	Metalliferous Mines and Extractive Industries Competence Board
NSW Ministry of Health	Central Coast Local Health District	
	Fluoridation of Public Water Supplies Advisory Committee	
	Health Support Services	
	Medical Committees (and Sub Committees) under the Poisons and Therapeutic Goods Act	
	Nepean Blue Mountains Local Health District	
	Northern NSW Local Health District	
	Poisons Advisory Committee	
	Private Health Facilities Advisory Committee	

**Notes:**

1. These departments/agencies were all sent a blank survey, as opposed to a prepopulated survey (ie, they had not been identified by IPART as departments/agencies that administer licences).
2. The departments/agencies listed in this table are listed as they were referred to on the *NSW Government Directory website* in October 2012. NSW Government (2012), *Directory*, <http://www.directory.nsw.gov.au/showOrgUnit.asp?id={5617D1A0-E143-460E-BDB4-6471FFD75B20}>, accessed October 2012.
3. Whilst some agencies/sub-agencies referred to in this table are independent or statutory bodies, they have been referenced to the department that either funds their activities/or that are most closely related to.

**Table D.2 'Significant', BLIS Licence types not specifically included in the NSW Government department/agency licence database**

Licence type	Department	Agency	Sub-agency	BLIS ID	Act	Explanation as to why not in the database
Contractor licence – electrical – company/partnership	Department of Finance and Services	NSW Fair Trading		4369	<i>Home Building Act 1989</i>	Not specifically provided by NSW Fair Trading – likely incorporated into 'Tradesperson certificate' and 'Home Building Licences'.
Contractor licence – electrical – individual	Department of Finance and Services	NSW Fair Trading		4371	<i>Home Building Act 1989</i>	Not specifically provided by NSW Fair Trading – likely incorporated into 'Tradesperson certificate' and 'Home Building Licences'.
Qualified supervisor certificate – building	Department of Finance and Services	NSW Fair Trading		4382	<i>Home Building Act 1989</i>	Not specifically provided by NSW Fair Trading – likely incorporated into 'Tradesperson certificate' and 'Home Building Licences'.
Contractor licence – building – company/partnership	Department of Finance and Services	NSW Fair Trading		4452	<i>Home Building Act 1989</i>	Not specifically provided by NSW Fair Trading – likely incorporated into 'Tradesperson certificate' and 'Home Building Licences'.
Accreditation as an auctioneer – real estate, stock and station	Department of Finance and Services	NSW Fair Trading		4506	<i>Property, Stock and Business Agents Act 2002</i>	Not specifically provided by NSW Fair Trading – likely incorporated into 'Real Estate Agent' and 'Stock and Station Agent'
Qualified supervisor	Department of	NSW Fair Trading		4513	<i>Home Building Act 1989</i>	Not specifically provided by

Licence type	Department	Agency	Sub-agency	BLIS ID	Act	Explanation as to why not in the database
certificate – electrical work	Finance and Services					NSW Fair Trading – likely incorporated into 'Tradesperson certificate' and 'Home Building Licences'.
Contractor licence – building – individual	Department of Finance and Services	NSW Fair Trading		4747	<i>Home Building Act 1989</i>	Not specifically provided by NSW Fair Trading – likely incorporated into 'Tradesperson certificate' and 'Home Building Licences'.
Real estate/valuer – mutual recognition – interstate or trans-Tasman	Department of Finance and Services	NSW Fair Trading		5210	<i>Mutual Recognition Act 1992</i>	Not applicable as a specific 'licence type' (confirmed by NSW Fair Trading).
Building compliance certificate	Department of Premier and Cabinet	Department of Planning and Infrastructure		5132	<i>Environmental Planning and Assessment Act 1979</i>	Not specifically included – a building compliance certificate is issued via local councils.
Trade waste water permit	Department of Premier and Cabinet	Office of Environment and Heritage		4390	<i>Hunter Water Act 1991</i>	Not specifically included – Sydney Water Corporation and Hunter Water Corporation have included some 'Trade waste' licences – further, 'Trade waste permits' are usually administered via local councils.
Endorsement to take abalone	Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Fisheries NSW	4718	<i>Fisheries Management Act 1994</i>	Not specifically included – likely incorporated into Marine Park Authority's 'Commercial Fishing Licence'.

Licence type	Department	Agency	Sub-agency	BLIS ID	Act	Explanation as to why not in the database
New South Wales block fisherman's licence	Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Fisheries NSW	4728	<i>Fisheries Management Act 1994</i>	Not specifically included – likely incorporated into Marine Park Authority's 'Commercial Fishing Licence'.
Licence to conduct health and safety activities for coal mines	Department of Trade and Investment, Regional Infrastructure and Services	Division of Resources and Energy		5284	<i>Coal Mine Health and Safety Act 2002</i>	Does not appear to have been specifically included.
Personal watercraft licences (PWC)	Transport for NSW	Roads and Maritime Services	Maritime	4542	<i>Maritime Services Act 1935</i>	Not specifically included – likely incorporated into 'Registration of a Commercial or Recreational Vessel'.
Permit to undertake commercial activities within NSW marine parks	Transport for NSW	Roads and Maritime Services	Maritime	5128	<i>Marine Parks Act 1997</i>	Not specifically included – likely incorporated into Marine Park Authority's 'Marine Park Permit – Commercial'.



**Table D.3 NSW Government department/agency licence data completeness – ‘not known’/‘not available’ and ‘not applicable’ rates**

	Total new licences	Total renewed licences	Total licences in force	Application fee revenue	Renewal fee revenue	Processing fee revenue	Total licence fee revenue
Number of licences 'unknown' or 'not available'	20	66	47	197	229	258	129
Percentage of Total	2.6%	8.6%	6.1%	25.6%	29.8%	33.6%	16.8%
Number of licences 'not applicable'	7	157	47	24	57	49	24
Percentage of Total	0.9%	20.4%	6.1%	3.1%	7.4%	6.4%	3.1%
Number of licences 'known' and 'applicable'	742	546	675	548	483	462	616
Percentage of Total	96.5%	71.0%	87.8%	71.3%	62.8%	60.1%	80.1%

**Note:** The 'Total licence fee revenue' was not supplied for all licence types, even when data had been reported for 'Application fee revenue', 'Renewal fee revenue' and/or 'Processing fee revenue'. For such licence types, the sum of the application fee revenue, renewal fee revenue and processing fee revenue was used as a measure of total licence fee revenue.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.4 NSW Government department/agency licences: Total number of new, renewed and in force licences (2011/12)**

Licence category	Total <sup>b</sup>	Individual	All business	Small business
New	3,300,209	2,396,213	331,204	33,964
Renewed	8,035,804	6,931,167	938,322	117,325
In force <sup>a</sup>	20,751,150	12,630,330	2,450,508	1,138,836

<sup>a</sup> Licence 'in force' on 30 June 2012.

<sup>b</sup> 'Individual' and 'All business' do not sum to equal 'Total' due to incomplete 'Individual' and 'All business' breakdown data.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.5 NSW Government department/agency licences: number of total new licences (2011/12) – 'Top 20'**

Rank	Licence Type	Significant	Number of new licences (total)	Percentage of total new licences	Cumulative percentage	Department	Agency	Sub-agency
1	Registration of a Light Vehicle	Yes	351,991	10.7%	10.7%	Transport for NSW	Roads and Maritime Services	Roads
2	Recreational Fishing Fee	Yes	267,518	8.1%	18.8%	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Marine Parks Authority
3	Applications for the issue of Certificates and other services in regard to Births registered in NSW	Yes	260,956	7.9%	26.7%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
4	Registration of companion animal	Yes	219,081	6.6%	33.3%	NSW Department of Premier and Cabinet	Division of Local Government	
5	Driver's Licence - Car	Yes	146,072	4.4%	37.7%	Transport for NSW	Roads and Maritime Services	Roads
6	Learner's Permit	Yes	132,608	4.0%	41.8%	Transport for NSW	Roads and Maritime Services	Roads
7	P1 Provisional Driver's Licence	Yes	101,220	3.1%	44.8%	Transport for NSW	Roads and Maritime Services	Roads
8	P2 Provisional Driver's Licence	Yes	98,602	3.0%	47.8%	Transport for NSW	Roads and Maritime Services	Roads
9	Registration of Births in, or deemed to be in, NSW	Yes	96,856	2.9%	50.8%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	

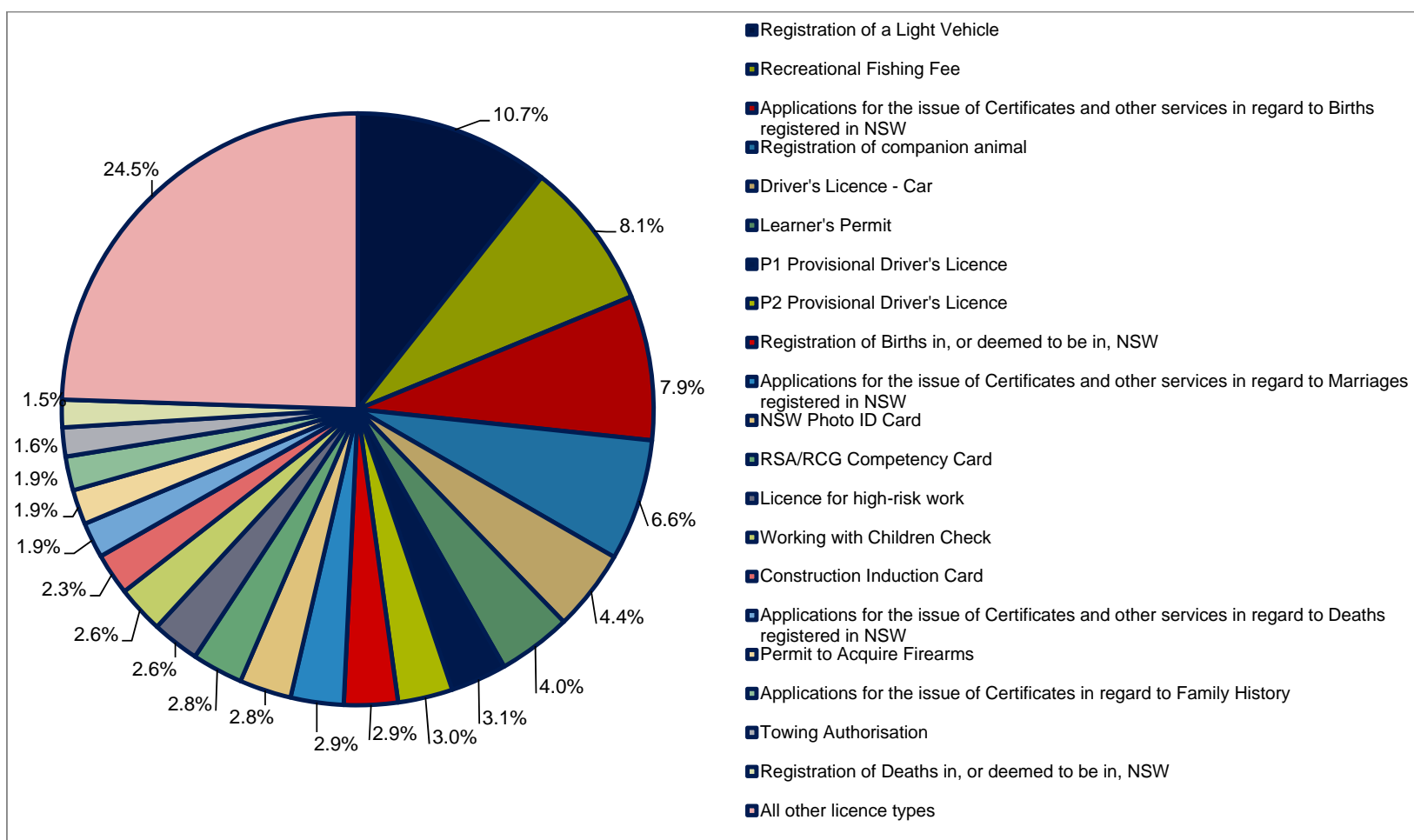
Rank	Licence Type	Significant	Number of new licences (total)	Percentage of total new licences	Cumulative percentage	Department	Agency	Sub-agency
10	Applications for the issue of Certificates and other services in regard to Marriages registered in NSW	Yes	95,614	2.9%	53.6%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
11	NSW Photo ID Card	Yes	93,411	2.8%	56.5%	Transport for NSW	Roads and Maritime Services	Roads
12	RSA/RCG Competency Card	Yes	91,873	2.8%	59.3%	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	
13	Licence for high-risk work	Yes	85,804	2.6%	61.9%	NSW Department of Finance and Services	WorkCover NSW	
14	Working with Children Check	Yes	85,479	2.6%	64.5%	NSW Department of Education and Communities	Office of Communities <sup>a</sup>	Commission for Children and Young People
15	Construction Induction Card	Yes	75,171	2.3%	66.7%	NSW Department of Finance and Services	WorkCover NSW	
16	Applications for the issue of Certificates and other services in regard to Deaths registered in NSW	Yes	64,339	1.9%	68.7%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
17	Permit to Acquire Firearms	Yes	62,789	1.9%	70.6%	NSW Department of Attorney General and Justice	NSW Police Force	Firearms Registry
18	Applications for the issue of Certificates in regard to Family History	Yes	61,250	1.9%	72.4%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	

Rank	Licence Type	Significant	Number of new licences (total)	Percentage of total new licences	Cumulative percentage	Department	Agency	Sub-agency
19	Towing Authorisation	Yes	52,170	1.6%	74.0%	Transport for NSW	Roads and Maritime Services	Roads
20	Registration of Deaths in, or deemed to be in, NSW	Yes	49,721	1.5%	75.5%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
21	All other licence types		807,684	24.5%	100.0%			

<sup>a</sup> This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure D.1 NSW Government department/agency licences: number of total new licences (2011/12) – ‘Top 20’**



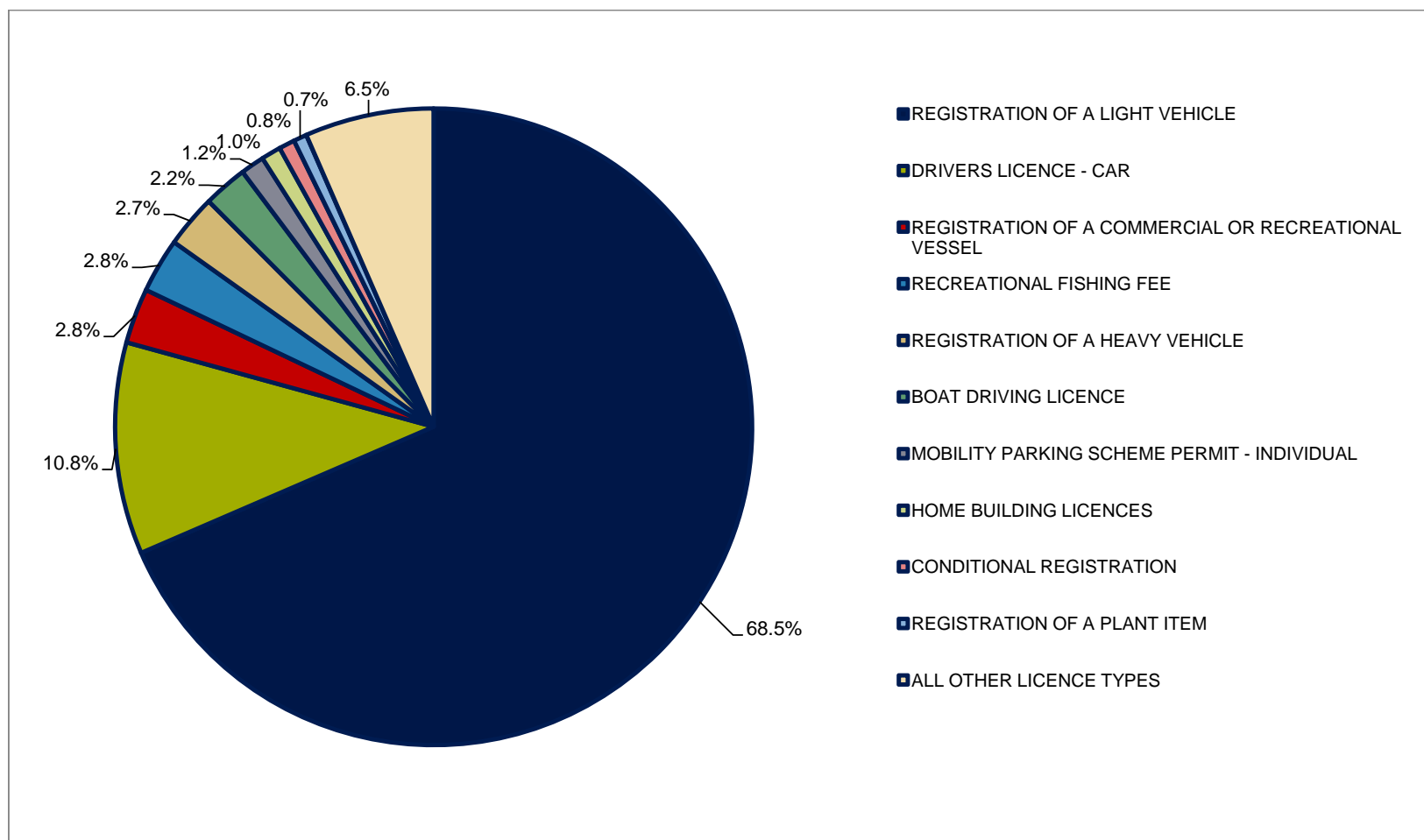
**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.6 NSW Government department/agency licences: number of total renewed licences (2011/12) – ‘Top 10’**

Rank	Licence Type	Significant	Number of renewed licences (total)	Percentage of total renewed licences	Cumulative percentage	Department	Agency	Sub-agency
1	Registration of a Light Vehicle	Yes	5,505,969	68.5%	68.5%	Transport for NSW	Roads and Maritime Services	Roads
2	Drivers Licence - Car	Yes	864,470	10.8%	79.3%	Transport for NSW	Roads and Maritime Services	Roads
3	Registration of a Commercial or Recreational Vessel	Yes	224,774	2.8%	82.1%	Transport for NSW	Roads and Maritime Services	Maritime
4	Recreational Fishing Fee	Yes	222,591	2.8%	84.8%	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Marine Parks Authority
5	Registration of a Heavy Vehicle	Yes	215,470	2.7%	87.5%	Transport for NSW	Roads and Maritime Services	Roads
6	Boat driving licence	Yes	180,377	2.2%	89.8%	Transport for NSW	Roads and Maritime Services	Maritime
7	Mobility Parking Scheme Permit - Individual	Yes	96,896	1.2%	91.0%	Transport for NSW	Roads and Maritime Services	Roads
8	Home Building licences	Yes	80,172	1.0%	92.0%	NSW Department of Finance and Services	NSW Fair Trading	
9	Conditional Registration	Yes	65,043	0.8%	92.8%	Transport for NSW	Roads and Maritime Services	Roads
10	Registration of a Plant Item	Yes	54,155	0.7%	93.5%	NSW Department of Finance and Services	WorkCover NSW	
11	All other licence types		525,887	6.5%	100.0%			

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure D.2 NSW Government department/agency licences: number of total renewed licences (2011/12) – ‘Top 10’**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.7 NSW Government department/agency licences: number of total licences in force (30 June 2012) – ‘Top 20’**

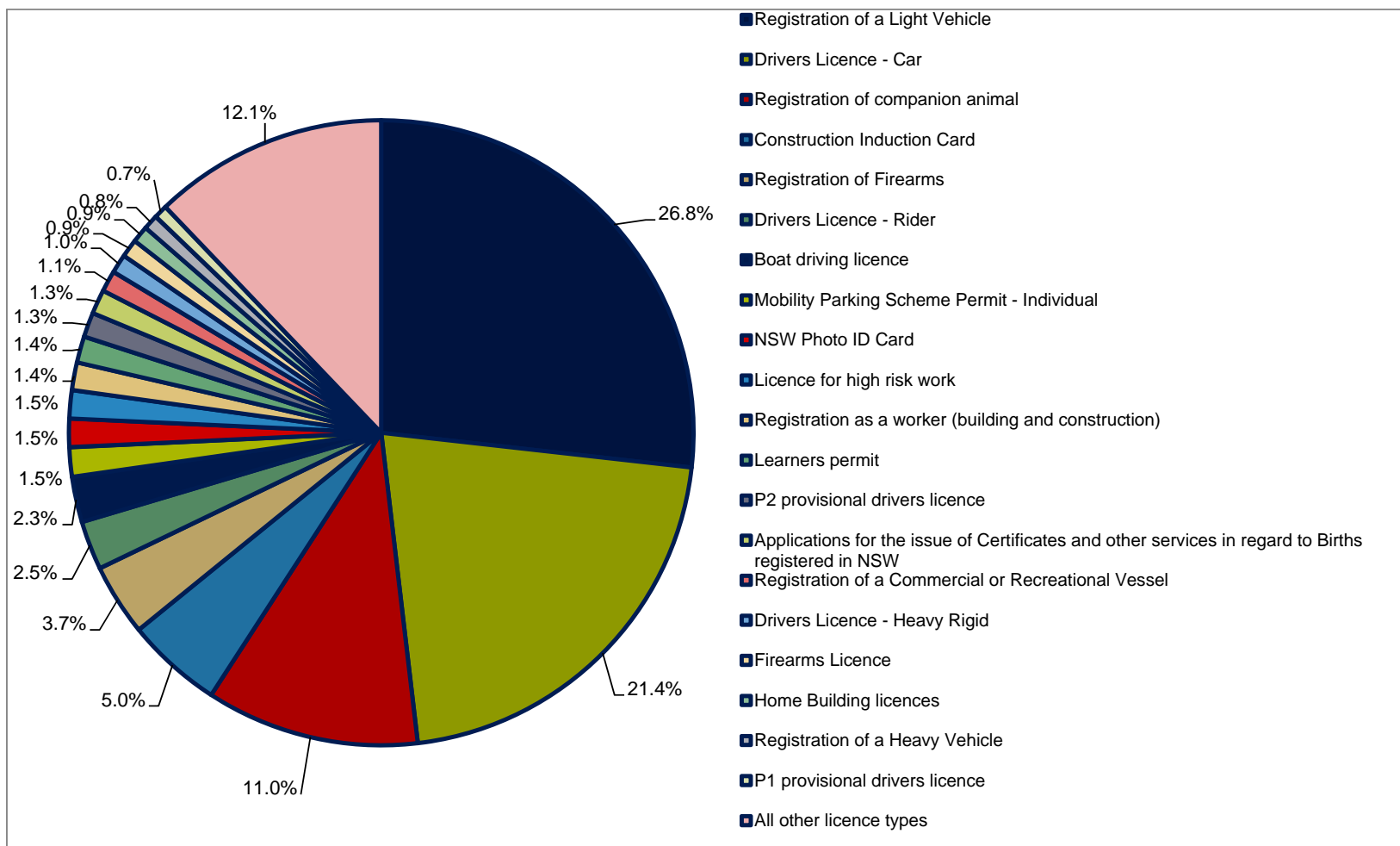
Rank	Licence Type	Significant	Number of licences In Force (total)	Percentage of total renewed licences	Cumulative percentage	Department	Agency	Sub-agency
1	Registration of a Light Vehicle	Yes	5,555,737	26.8%	26.8%	Transport for NSW	Roads and Maritime Services	Roads
2	Drivers Licence - Car	Yes	4,432,276	21.4%	48.1%	Transport for NSW	Roads and Maritime Services	Roads
3	Registration of companion animal	Yes	2,288,849	11.0%	59.2%	NSW Department of Premier and Cabinet	Division of Local Government	
4	Construction Induction Card	Yes	1,034,174	5.0%	64.1%	NSW Department of Finance and Services	WorkCover NSW	
5	Registration of Firearms	Yes	771,636	3.7%	67.9%	NSW Department of Attorney General and Justice	NSW Police Force	Firearms Registry
6	Drivers Licence - Rider	Yes	525,002	2.5%	70.4%	Transport for NSW	Roads and Maritime Services	Roads
7	Boat driving licence	Yes	486,805	2.3%	72.7%	Transport for NSW	Roads and Maritime Services	Maritime
8	Mobility Parking Scheme Permit - Individual	Yes	315,027	1.5%	74.3%	Transport for NSW	Roads and Maritime Services	Roads
9	NSW Photo ID Card	Yes	304,080	1.5%	75.7%	Transport for NSW	Roads and Maritime Services	Roads
10	Licence for high risk work	Yes	303,123	1.5%	77.2%	NSW Department of Finance and Services	WorkCover NSW	
11	Registration as a worker (building and construction)	Yes	297,246	1.4%	78.6%	NSW Department of Finance and Services	Long Service Corporation	
12	Learners permit	Yes	283,174	1.4%	80.0%	Transport for NSW	Roads and Maritime Services	Roads
13	P2 provisional drivers licence	Yes	264,954	1.3%	81.3%	Transport for NSW	Roads and Maritime Services	Roads



Rank	Licence Type	Significant	Number of licences In Force (total)	Percentage of total renewed licences	Cumulative percentage	Department	Agency	Sub-agency
14	Applications for the issue of Certificates and other services in regard to Births registered in NSW	Yes	260,956	1.3%	82.5%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
15	Registration of a Commercial or Recreational Vessel	Yes	226,634	1.1%	83.6%	Transport for NSW	Roads and Maritime Services	Maritime
16	Drivers Licence - Heavy Rigid	Yes	202,892	1.0%	84.6%	Transport for NSW	Roads and Maritime Services	Roads
17	Firearms Licence	Yes	194,347	0.9%	85.5%	NSW Department of Attorney General and Justice	NSW Police Force	Firearms Registry
18	Home Building licences	Yes	179,918	0.9%	86.4%	NSW Department of Finance and Services	NSW Fair Trading	
19	Registration of a Heavy Vehicle	Yes	159,622	0.8%	87.2%	Transport for NSW	Roads and Maritime Services	Roads
20	P1 provisional drivers licence	Yes	145,046	0.7%	87.9%	Transport for NSW	Roads and Maritime Services	Roads
21	All other licence types		2,519,652	12.1%	100.0%			

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure D.3 NSW Government department/agency licences: number of total licences in force (2011/12) – ‘Top 20’**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.8 NSW Government department/agency licences: total revenue from licence fees (2011/12)**

	Total from application fees	Total from renewal fees	Total from processing fees	Total revenue from licence fees (reported)	Total revenue from licence fees <sup>a</sup>
<b>Dollars (\$)</b>	\$371,136,250	\$1,663,080,082	\$361,025,656	\$2,783,473,502	\$2,800,224,372

<sup>a</sup> 'Total revenue from licence fees' includes data for licence types where 'total revenue' had not been reported, yet data had been reported for 'Total from application fees', 'Total from renewal fees' and/or 'Total from processing fees'. For these licence types, the sum of the 'Total from application fees', 'Total from renewal fees' and 'Total from processing fees' has been used as the measure of total revenue ('total revenue' refers to the greatest of the sum of application, renewal and processing fees; and the total revenue reported by the department/agency for each licence type).

**Note:** 'Licence fee revenue' may include taxes and rents.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.9 NSW Government department/agency licences: application fee revenue (2011/12) – ‘Top 20’**

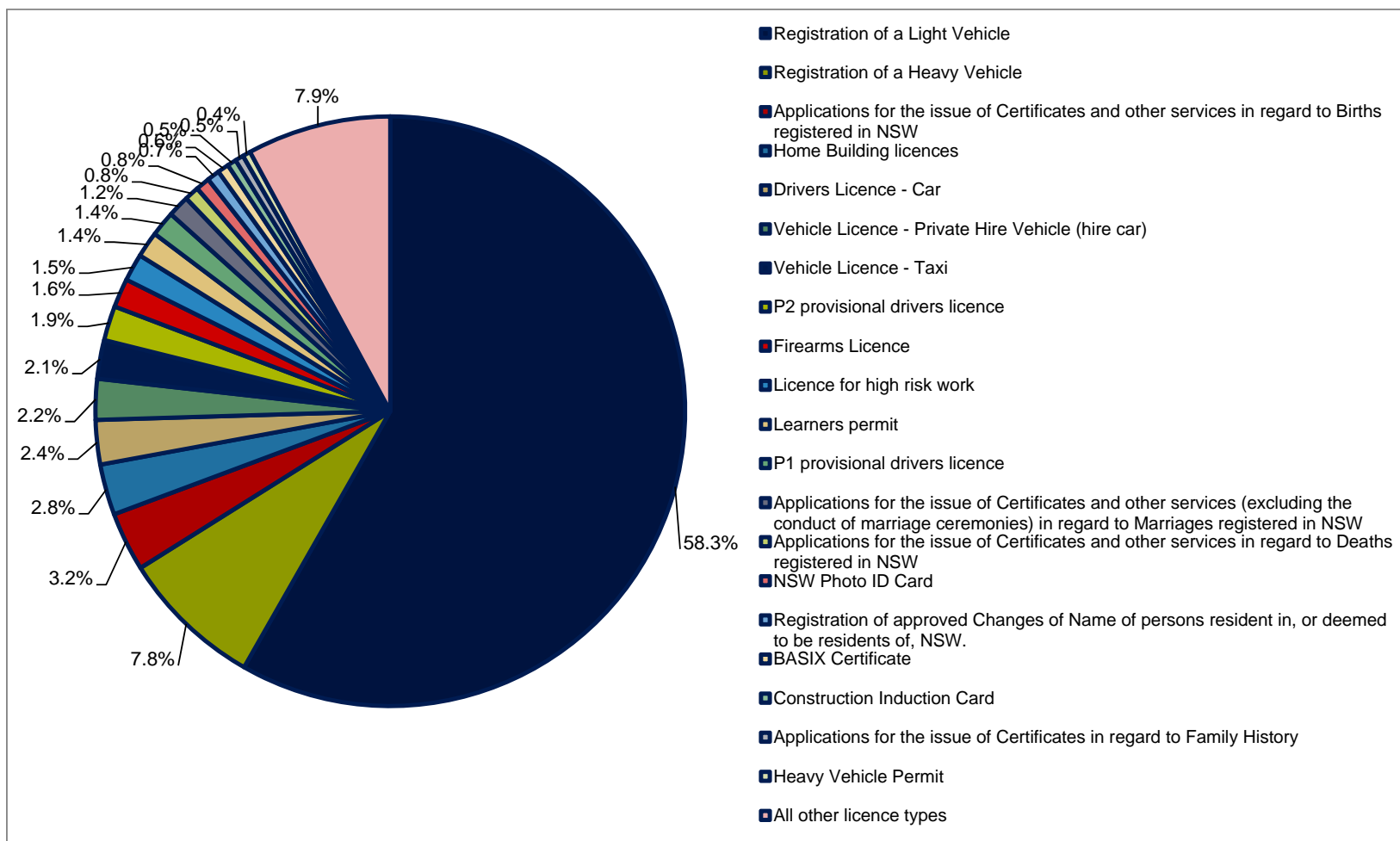
Rank	Licence Type	Significant	Revenue from application fees (total)	Percentage of total application fees	Cumulative percentage	Department	Agency	Sub-agency
1	Registration of a Light Vehicle	Yes	\$216,189,028 <sup>a</sup>	58.3%	58.3%	Transport for NSW	Roads and Maritime Services	Roads
2	Registration of a Heavy Vehicle	Yes	\$29,057,393 <sup>a</sup>	7.8%	66.1%	Transport for NSW	Roads and Maritime Services	Roads
3	Applications for the issue of Certificates and other services in regard to Births registered in NSW	Yes	\$12,003,976	3.2%	69.3%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
4	Home Building licences	Yes	\$10,330,527	2.8%	72.1%	NSW Department of Finance and Services	NSW Fair Trading	
5	Drivers Licence - Car	Yes	\$9,010,064	2.4%	74.5%	Transport for NSW	Roads and Maritime Services	Roads
6	Vehicle Licence - Private Hire Vehicle (hire car)	Yes	\$8,299,003	2.2%	76.8%	Transport for NSW	Roads and Maritime Services	Roads
7	Vehicle Licence - Taxi	Yes	\$7,880,738	2.1%	78.9%	Transport for NSW	Roads and Maritime Services	Roads
8	P2 provisional drivers licence	Yes	\$7,036,040	1.9%	80.8%	Transport for NSW	Roads and Maritime Services	Roads
9	Firearms Licence	Yes	\$5,880,220	1.6%	82.4%	NSW Department of Attorney General and Justice	NSW Police Force	Firearms Registry
10	Licence for high risk work	Yes	\$5,545,745	1.5%	83.9%	NSW Department of Finance and Services	WorkCover NSW	
11	Learners permit	Yes	\$5,257,272	1.4%	85.3%	Transport for NSW	Roads and Maritime Services	Roads
12	P1 provisional drivers licence	Yes	\$5,112,888	1.4%	86.7%	Transport for NSW	Roads and Maritime Services	Roads

Rank	Licence Type	Significant	Revenue from application fees (total)	Percentage of total application fees	Cumulative percentage	Department	Agency	Sub-agency
13	Applications for the issue of Certificates and other services (excluding the conduct of marriage ceremonies) in regard to Marriages registered in NSW	Yes	\$4,398,244	1.2%	87.8%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
14	Applications for the issue of Certificates and other services in regard to Deaths registered in NSW	Yes	\$2,959,594	0.8%	88.6%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
15	NSW Photo ID Card	Yes	\$2,857,428	0.8%	89.4%	Transport for NSW	Roads and Maritime Services	Roads
16	Registration of approved Changes of Name of persons resident in, or deemed to be residents of, NSW	Yes	\$2,573,494	0.7%	90.1%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
17	BASIX Certificate	Yes	\$2,303,005	0.6%	90.7%	NSW Department of Premier and Cabinet	Department of Planning and Infrastructure	
18	Construction Induction Card	Yes	\$1,829,296	0.5%	91.2%	NSW Department of Finance and Services	WorkCover NSW	
19	Applications for the issue of Certificates in regard to Family History	Yes	\$1,715,000	0.5%	91.7%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
20	Heavy Vehicle Permit	Yes	\$1,616,904	0.4%	92.1%	Transport for NSW	Roads and Maritime Services	Roads
21	All other licence types		\$29,280,392	7.9%	100.0%			

<sup>a</sup> Vehicle registration fees include a Motor Vehicle Tax component ('weight tax'). Revenue from this tax helps fund road construction and maintenance.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure D.4 NSW Government department/agency licences: application fee revenue (2011/12) – ‘Top 20’**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.10 NSW Government department/agency licences: renewal fee revenue (2011/12) – ‘Top 10’**

Rank	Licence Type	Significant	Revenue from renewal fees (total)	Percentage of total renewal fees	Cumulative percentage	Department	Agency	Sub-agency
1	Registration of a Light Vehicle	Yes	\$1,265,244,007 <sup>a</sup>	76.1%	76.1%	Transport for NSW	Roads and Maritime Services	Roads
2	Registration of a Heavy Vehicle	Yes	\$218,970,288 <sup>a</sup>	13.2%	89.2%	Transport for NSW	Roads and Maritime Services	Roads
3	Drivers Licence - Car	Yes	\$97,652,566	5.9%	95.1%	Transport for NSW	Roads and Maritime Services	Roads
4	Registration of a Commercial or Recreational Vessel	Yes	\$22,730,926	1.4%	96.5%	Transport for NSW	Roads and Maritime Services	Maritime
5	Home Building licences	Yes	\$21,713,072	1.3%	97.8%	NSW Department of Finance and Services	NSW Fair Trading	
6	Vehicle Licence - Taxi	Yes	\$4,873,011	0.3%	98.1%	Transport for NSW	Roads and Maritime Services	Roads
7	Occupation Permit (Forestry)	No	\$2,919,637	0.2%	98.3%	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Forests NSW
8	Operator Accreditation - Taxi	Yes	\$2,140,000	0.1%	98.4%	Transport for NSW	Roads and Maritime Services	Roads
9	Licence for a food transport business for dairy, meat, plant products, seafood, eggs & egg related products & game meat	Yes	\$2,090,010	0.1%	98.5%	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	NSW Food Authority

Rank	Licence Type	Significant	Revenue from renewal fees (total)	Percentage of total renewal fees	Cumulative percentage	Department	Agency	Sub-agency
10	Children's Service Licence - Centre based <sup>b</sup>	Yes	\$1,373,720	0.1%	98.6%	NSW Department of Education and Communities	Office of Education	Early Childhood Education and Care Directorate
11	All other licence types		\$23,372,844	1.4%	100.0%			

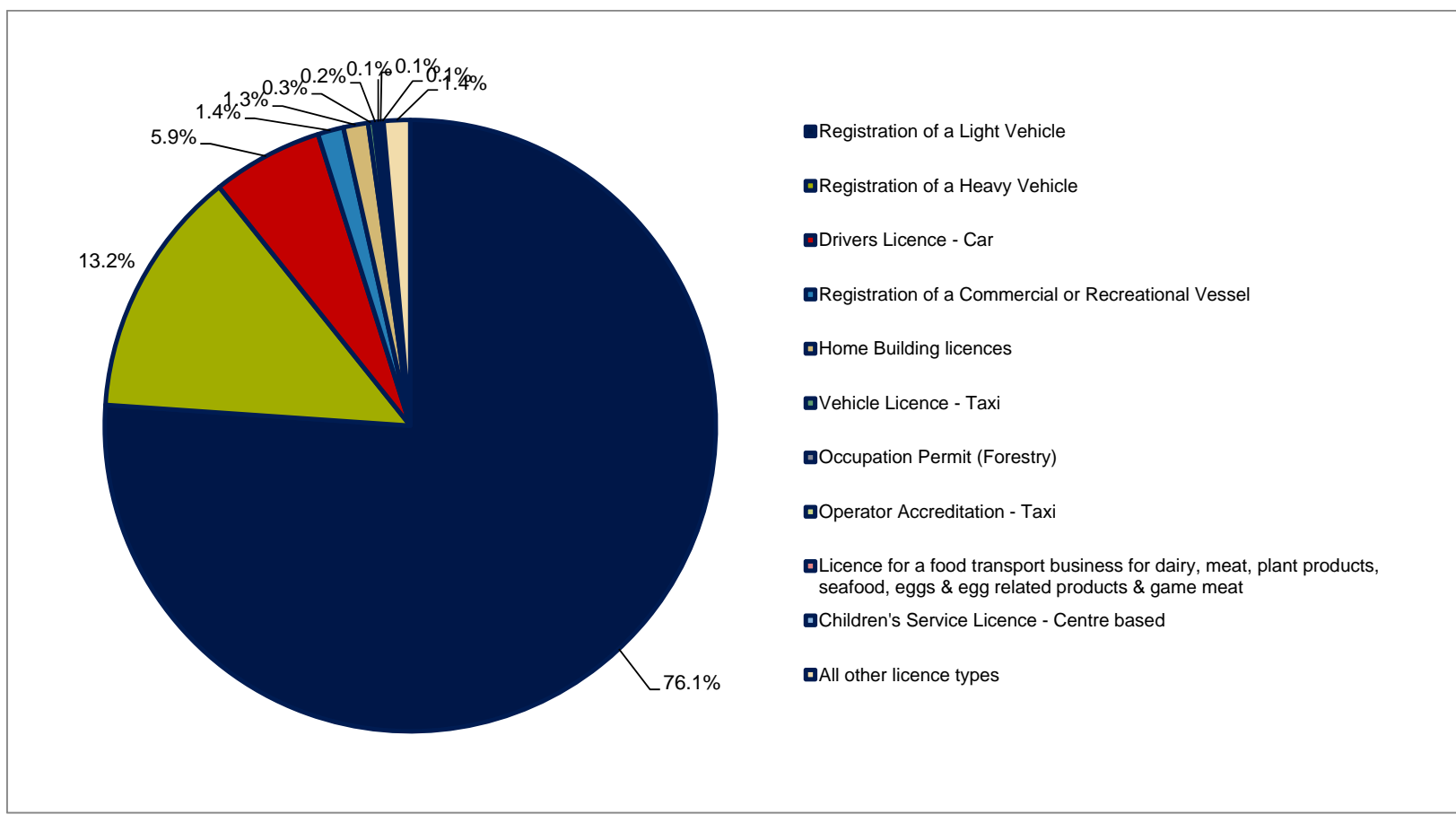
<sup>a</sup> Vehicle registration fees include a Motor Vehicle Tax component ('weight tax'). Revenue from this tax helps fund road construction and maintenance.

<sup>b</sup> This licence no longer exists – it was replaced by the 'Approval for an education and childcare service – centre based care', concurrent with the implementation of the National Quality Framework in January 2012.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).



**Figure D.5 NSW Government department/agency licences: renewal fee revenue (2011/12) – ‘Top 10’**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.11 NSW Government department/agency licences: processing fee revenue (2011/12) – ‘Top 10’**

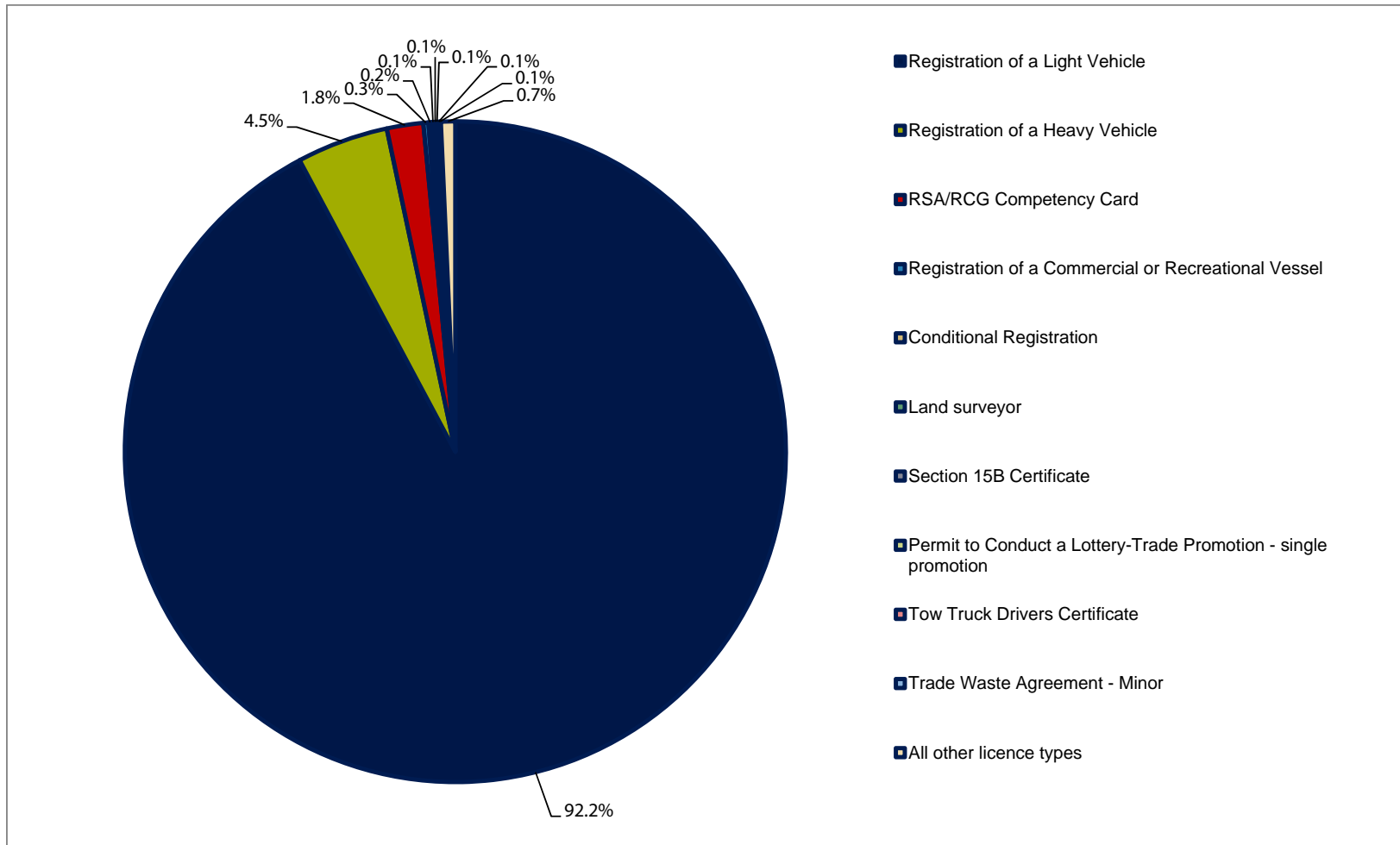
Rank	Licence Type	Significant	Revenue from processing fees (total)	Percentage of total processing fees	Cumulative percentage	Department	Agency	Sub-agency
1	Registration of a Light Vehicle	Yes	\$332,836,205 <sup>a</sup>	92.2%	92.2%	Transport for NSW	Roads and Maritime Services	Roads
2	Registration of a Heavy Vehicle	Yes	\$16,170,811 <sup>a</sup>	4.5%	96.7%	Transport for NSW	Roads and Maritime Services	Roads
3	RSA/RCG Competency Card	Yes	\$6,431,110	1.8%	98.5%	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	
4	Registration of a Commercial or Recreational Vessel	Yes	\$906,639	0.3%	98.7%	Transport for NSW	Roads and Maritime Services	Maritime
5	Conditional Registration	Yes	\$601,536	0.2%	98.9%	Transport for NSW	Roads and Maritime Services	Roads
6	Land surveyor	Yes	\$394,044	0.1%	99.0%	NSW Department of Finance and Services	Board of Surveying and Spatial Information	
7	Section 15B Certificate	Yes	\$342,240	0.1%	99.1%	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Mine Subsidence Board
8	Permit to Conduct a Lottery-Trade Promotion - single promotion	Yes	\$298,550	0.1%	99.2%	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	
9	Tow Truck Drivers Certificate	Yes	\$293,125	0.1%	99.2%	Transport for NSW	Roads and Maritime Services	Roads

Rank	Licence Type	Significant	Revenue from processing fees (total)	Percentage of total processing fees	Cumulative percentage	Department	Agency	Sub-agency
10	Trade Waste Agreement - Minor	No	\$224,736	0.1%	99.3%	Other	Hunter Water Corporation	
11	All other licence types		\$2,526,660	0.7%	100.0%			

<sup>a</sup> Vehicle registration fees include a Motor Vehicle Tax component ('weight tax'). Revenue from this tax helps fund road construction and maintenance.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure D.6 NSW Government department/agency licences: processing fee revenue (2011/12) – ‘Top 10’**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.12 NSW Government department/agency licences: total licence fee revenue (2011/12) – ‘Top 20’**

Rank	Licence Type	Significant	Revenue from licence fees (total)	Percentage of total licence fees	Cumulative percentage	Department	Agency	Sub-agency
1	Registration of a Light Vehicle	Yes	\$1,814,269,240 <sup>a</sup>	64.8%	64.8%	Transport for NSW	Roads and Maritime Services	Roads
2	Licence to Conduct Public Lotteries	Yes	\$338,000,000	12.1%	76.9%	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	
3	Registration of a Heavy Vehicle	Yes	\$264,198,492 <sup>a</sup>	9.4%	86.3%	Transport for NSW	Roads and Maritime Services	Roads
4	Drivers Licence - Car	Yes	\$106,662,630	3.8%	90.1%	Transport for NSW	Roads and Maritime Services	Roads
5	Home Building licences	Yes	\$32,043,599	1.1%	91.2%	NSW Department of Finance and Services	NSW Fair Trading	
6	Registration of a Commercial or Recreational Vessel	Yes	\$24,730,938	0.9%	92.1%	Transport for NSW	Roads and Maritime Services	Maritime
7	Environment Protection Licence	Yes	\$16,700,000	0.6%	92.7%	NSW Department of Premier and Cabinet	Environment Protection Authority	
8	Recreational Fishing Fee	Yes	\$13,400,000	0.5%	93.2%	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	Marine Parks Authority
9	Vehicle Licence - Taxi	Yes	\$12,753,749	0.5%	93.7%	Transport for NSW	Roads and Maritime Services	Roads
10	Applications for the issue of Certificates and other services in regard to Births registered in NSW	Yes	\$12,003,976	0.4%	94.1%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
11	Vehicle Licence - Private Hire Vehicle (hire car)	Yes	\$8,299,003	0.3%	94.4%	Transport for NSW	Roads and Maritime Services	Roads

Rank	Licence Type	Significant	Revenue from licence fees (total)	Percentage of total licence fees	Cumulative percentage	Department	Agency	Sub-agency
12	P2 provisional drivers licence	Yes	\$7,036,040	0.3%	94.6%	Transport for NSW	Roads and Maritime Services	Roads
13	RSA/RCG Competency Card	Yes	\$6,431,110	0.2%	94.9%	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	
14	Registration of companion animal	Yes	\$6,118,005	0.2%	95.1%	NSW Department of Premier and Cabinet	Division of Local Government	
15	Firearms Licence	Yes	\$5,880,220	0.2%	95.3%	NSW Department of Attorney General and Justice	NSW Police Force	Firearms Registry
16	Licence for high risk work	Yes	\$5,545,745	0.2%	95.5%	NSW Department of Finance and Services	WorkCover NSW	
17	Learners permit	Yes	\$5,257,272	0.2%	95.7%	Transport for NSW	Roads and Maritime Services	Roads
18	P1 provisional drivers licence	Yes	\$5,112,888	0.2%	95.9%	Transport for NSW	Roads and Maritime Services	Roads
19	Applications for the issue of Certificates and other services (excluding the conduct of marriage ceremonies) in regard to Marriages registered in NSW	Yes	\$4,398,244	0.2%	96.0%	NSW Department of Attorney General and Justice	Registry of Births, Deaths and Marriages	
20	Accreditation as a New Scheme Teacher	Yes	\$4,238,622	0.2%	96.2%	NSW Department of Education and Communities	Office of Education	NSW Institute of Teachers
21	All other licence types		\$107,144,599	3.8%	100.0%			

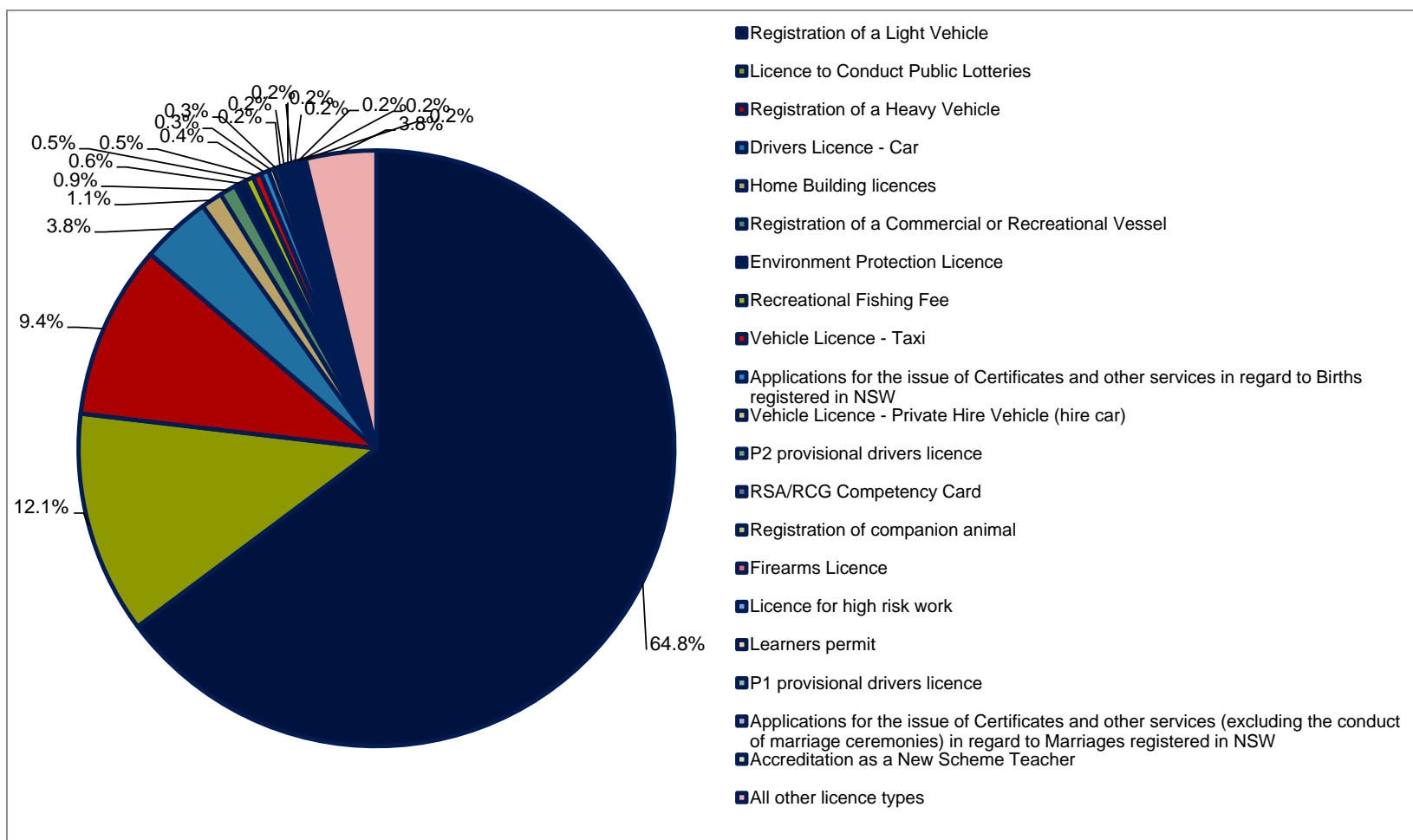
<sup>a</sup> Vehicle registration fees include a Motor Vehicle Tax component ('weight tax'). Revenue from this tax helps fund road construction and maintenance.

**Notes:** 'Total revenue from licence fees' includes data for licence types where total revenue had not been reported, yet data had been reported for application fee revenue, renewal fee revenue and/or processing fee revenue. For these licence types, the sum of the application fee revenue, renewal fee revenue and/or processing fee revenue has been used as the measure of total revenue.

In addition, for some licence types data on application, renewal, and processing fees were not provided at all (as not known by or not available from the relevant department/agency), yet data on total fee revenue was included in the stocktake response. This data on total fee revenue has been included in our analysis.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure D.7 NSW Government department/agency licences: total licence fee revenue (2011/12) – ‘Top 20’**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).



**Table D.13 NSW Government department/agency licences: individual, all business and small business data: 'not known'/'not available' rates**

	Total new licences	Total renewed licences	Total licences in force	Application fee revenue	Renewal fee revenue	Processing fee revenue
<b>Individual</b>						
Number of licences 'unknown' or 'not available'	305	396	353	540	551	530
Percentage of Total	39.7%	51.5%	45.9%	70.2%	71.7%	68.9%
<b>All business</b>						
Number of licences 'unknown' or 'not available'	303	391	341	507	555	517
Percentage of Total	39.4%	50.8%	44.3%	65.9%	72.2%	67.2%
<b>Small business</b>						
Number of licences 'unknown' or 'not available'	579	552	575	596	591	609
Percentage of Total	75.3%	71.8%	74.8%	77.5%	76.9%	79.2%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.14 NSW Government department/agency licences: maximum duration (years) frequencies**

Maximum duration	Frequency	Percentage of licence types (where duration reported)
Less than 1 year	38	5.2%
1 year	157	21.3%
2 years	15	2.0%
3 years	51	6.9%
4 years	7	1.0%
5 years	112	15.2%
6 years	7	1.0%
7 years	4	0.5%
10 years	7	1.0%
13 years	1	0.1%
15 years	2	0.3%
21 years	8	1.1%
25 years	1	0.1%
40 years	1	0.1%
60 years	2	0.3%
75 years	1	0.1%
99 years	1	0.1%
Ongoing (perpetual)	184	25.0%
Variable	61	8.3%
Per activity	40	5.4%
Other	5	0.7%
Not applicable	31	4.2%
<b>Total licence types (where duration reported)</b>	<b>736</b>	<b>100.0%</b>

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

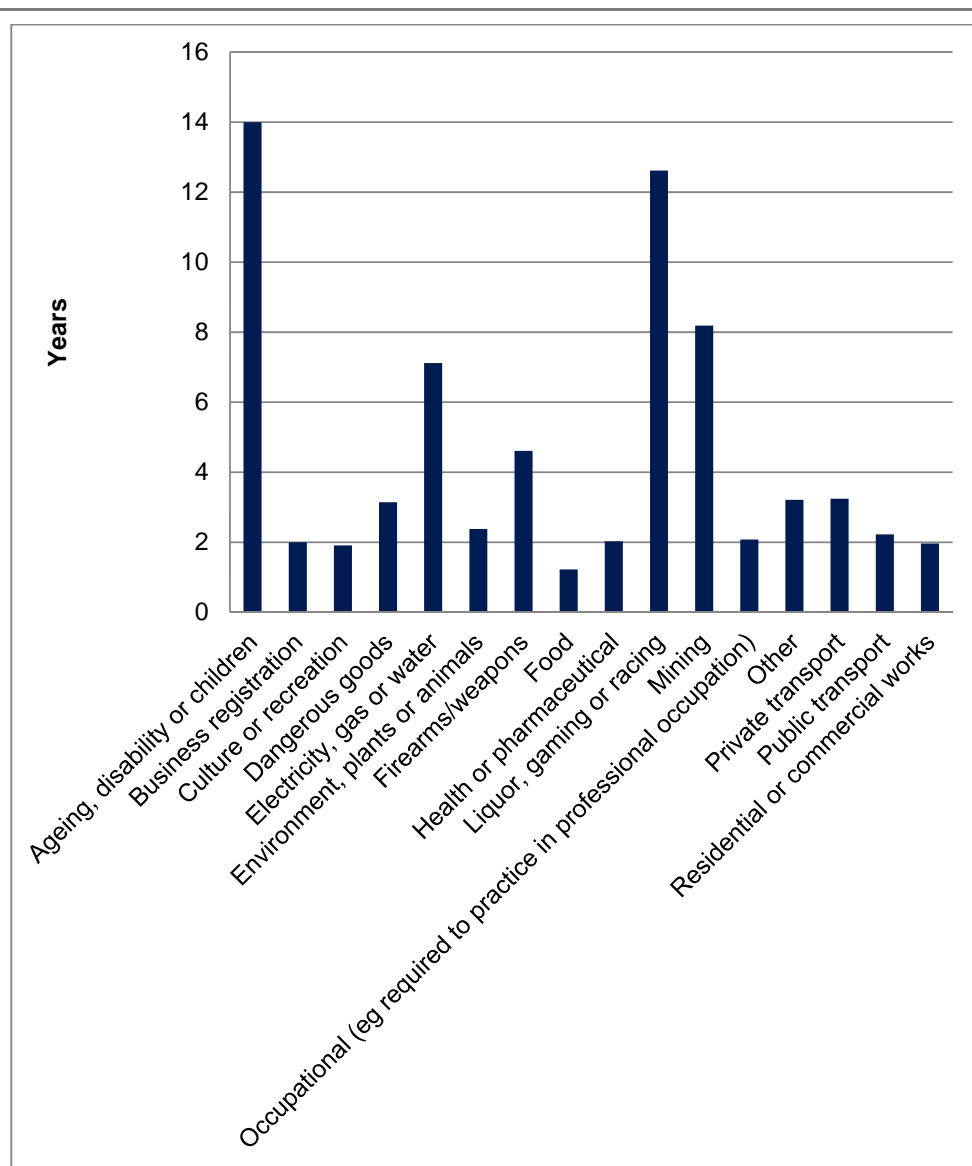
**Table D.15 NSW Government department/agency licences: mean maximum duration and percentage of licences at maximum duration by licence area**

Licence area	Mean duration (years)	Percentage of licences at maximum duration
Ageing, disability or children	14.0	70.5%
Business registration	2.0	100.0%
Culture or recreation	1.9	67.5%
Dangerous goods	3.1	91.5%
Electricity, gas or water	7.1	92.7%
Environment, plants or animals	2.4	83.5%
Firearms/weapons	4.6	100.0%
Food	1.2	100.0%
Health or pharmaceutical	2.0	98.5%
Liquor, gaming or racing	12.6	93.6%
Mining	8.2	100.0%
Occupational (eg, required to practice in professional occupation)	2.1	91.5%
Other	3.2	72.6%
Private transport	3.2	85.0%
Public transport	2.2	83.1%
Residential or commercial works	2.0	68.8%

**Note:** Based on observations reporting specified positive maximum duration.

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure D.8 NSW Government department/agency licences: licence classification by mean maximum duration**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table D.16 NSW Government department/agency licences: distribution of licence types by licence area**

Licence area	Frequency	Percentage of total licence types
Ageing, disability or children	40	5.2%
Business registration	8	1.0%
Culture or recreation	28	3.6%
Dangerous goods	14	1.8%
Electricity, gas or water	47	6.1%
Environment, plants or animals	135	17.6%
Firearms/weapons	37	4.8%
Food	25	3.3%
Health or pharmaceutical	32	4.2%
Liquor, gaming or racing	92	12.0%
Mining	45	5.9%
Occupational (eg, required to practice in professional occupation)	77	10.0%
Other	99	12.9%
Private transport	27	3.5%
Public transport	30	3.9%
Residential or commercial works	33	4.3%
Total	769	100.0%

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## E Methodology for determining policy scores

The tables in this appendix illustrate how we have applied the scoring methodology to relevant questions and responses from the licence survey for significant licences. The data presented in this appendix relates to all 310 significant licences.<sup>419</sup>

Notes to methodology:

- ▼ In calculating a licence's reform category score, each survey question within that reform category was reduced to a score between 0 and 1 (ie, to ensure equal weightings between questions).
- ▼ In calculating a licence's overall policy score, each reform category score was reduced to a score between 0 and 1 (ie, to ensure equal weightings between reform categories).
- ▼ Survey questions with no response or missing data were treated as 'blanks'. This meant that the question was excluded from a licence's policy score. For example, if an agency answered 3 out of 4 questions for a reform category, the reform category score would be averaged out of 3 (not 4).

### Overview of 6 reform areas used in the policy scoring for 'significant' licences

#### Modify licence duration

##### Key findings

- ▼ Only about 21% of 'significant' licences have a duration of greater than 3 years to 5 years.
- ▼ Discussions with NSW Treasury and the (former) National Occupational Licensing Authority on the consultation RIS indicate net benefits to NSW if the maximum licence duration for some occupational licences is increased from 3 to 5 years.

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<sup>419</sup> That is, the 269 licences initially classified as 'significant' as well as the other 41 licences now also classified as significant and presented separately in Appendix H.

- ▼ Regulators should examine modifying their licence durations to 5-year maximums (where appropriate).
- ▼ Considerations should be made to still allow licensees the option of shorter durations. Reform would mean increasing the duration for some licences, and possibly decreasing the duration for some licences. This would be subject to the caveat that these shorter/longer durations may be appropriate for certain types of licences only (eg, it makes sense for basic registrations in many cases to be perpetual).

**Table E.1 What is the licence maximum duration? (Percentage of significant licences)**

Per activity	Variable	Ongoing	Other	Not applicable	0 to 1 year	Greater than 1 year to 3 years	Greater than 3 years to 5 years	Greater than 5 years to 10 years	Greater than 10 years	
2%	5%	26%	0%	2%	28%	8%	21%	2%	3%	
Score:	0	0	2	0	0	2	1	0	1	2

**Notes:**

1. For 2% of 'significant' licence types, agencies did not provide a response to this question.
2. The percentages in this table do not round to 100% due to rounding.



## **Adopt best practice when setting licence terms and conditions**

### **Key findings**

- ▼ For about a quarter of 'significant' licences, regulators have not set their terms and conditions using best practice methods. These methods involve:
  - rigorous analysis (cost-benefit analysis, economic/expert/scientific analysis)
  - public consultation, and/or
  - using information provided by stakeholders.

To be consistent with the Licensing Framework, regulators should use these best practice methods when setting their licence terms and conditions (where appropriate).

**Table E.2 How does the department/agency determine licence conditions? (Percentage of significant licences)**

a. Public consultation	b. Cost-benefit analysis or other economic analysis	c. Scientific or expert analysis or advice	d. Information provided by licensees	e. Information provided by consumers or other stakeholders	f. Internal review
26%	18%	39%	50%	35%	58%
g. Adopt conditions from comparable licences or regulatory instruments of other jurisdictions	h. Set by national agreements or frameworks	i. Industry codes	j. Licence conditions are historical or legacy conditions	k. Other	
	33%	36%	21%	25%	27%

**Note:** The percentages in this table do not round to 100% due to rounding and because agencies were able to select more than one response for this question.

**Table E.3 Methods departments/agencies use to set licence terms & conditions**

Category			Category may also include:	% of licences	Score
Cost-benefit analysis (b or c in Table E.2)	AND	Public consultation (a, d, e or i in Table E.2)	Additional methods used to set licence terms and conditions (inter-jurisdictional reviews (g or h in Table E.2), internal review or 'other' methods) Some historical licence conditions	37%	0
Cost-benefit analysis	BUT NO	Public consultation	As above	6%	1
Public consultation	BUT NO	Cost-benefit analysis	As above	26%	2
Inter-jurisdictional reviews (g or h in Table E.2)	BUT NO	Cost-benefit analysis; public consultation	Additional methods used to set licence terms and conditions (internal review or 'other' methods) Some historical licence conditions	8%	3
Internal review or 'other' methods (f, j or k only, in Table E.2)	BUT NO	Cost-benefit analysis; public consultation; inter-jurisdictional reviews	Some historical licence conditions	17%	4
No response to survey question				5%	-

**Note:** The percentages in this table do not round to 100% due to rounding.

## **Regularly review licences using best practice methods & implement improvements substantiated by these reviews**

### **Key findings**

- ▼ The survey data indicates a large proportion of licences which have either not been recently reviewed, or the review has been less than comprehensive.
- ▼ 38% of 'significant' licences have not been reviewed in the last 5 years.
- ▼ Regulators have identified ways to improve many 'significant' licences. These improvements should be implemented (where substantiated by best practice reviews).

**Table E.4 Has the licensing regime been reviewed in the last 5 years? (Percentage of significant licences)**

	Yes	No	No response
	54%	38%	8%
<b>Score:</b>	0	1	1

**Table E.5 If the licensing regime has been reviewed in the last 5 years, what review methods did the agency use? (Percentage of significant licences)**

a. Public consultation	b. Cost-benefit analysis or other economic analysis	c. Scientific or expert analysis or advice	d. Information provided by licensees	e. Information provided by consumers or other stakeholders	f. Reviewing licence terms or practices of comparable regulators in other jurisdictions	g. Internal review	h. Other method
55%	44%	50%	54%	45%	60%	60%	23%

**Note:** The percentages in this table do not round to 100% due to rounding and because agencies were able to select more than one response for this question.

**Table E.6 Methods departments/agencies use to review licences**

Category			Category may also include:	% of licences	Score
Cost-benefit analysis (b or c in Table E.5)	AND	Public consultation (a, d or e in Table E.5)	Additional methods used to set licence terms and conditions (inter-jurisdictional reviews (f in Table E.5), internal review or 'other' methods) Some historical licence conditions	54%	0
Cost-benefit analysis	BUT NO	Public consultation	As above	6%	1
Public consultation	BUT NO	Cost-benefit analysis	As above	18%	2
Inter-jurisdictional reviews (f in Table E.5)	BUT NO	Cost-benefit analysis; public consultation	Additional methods used to set licence terms and conditions (internal review or 'other' methods) Some historical licence conditions	5%	3
Internal review or 'other' methods (g or h only, in Table E.5)	BUT NO	Cost-benefit analysis; public consultation; inter-jurisdictional reviews	Some historical licence conditions	13%	4
No response to survey question				6%	-

**Table E.7 Areas considered by the review (Percentage of significant licences)**

The need for a licence as opposed to another form of regulation or no regulation?	Licence duration?	Exemptions or thresholds?	Terms and conditions of the licence?	Compliance, enforcement or audit activities?	Administration?	Fees?	Other?
56%	55%	56%	76%	75%	75%	61%	15%

**Notes:**

1. For 'Areas considered by the review' the department/agency was scored '1' for each category *not selected* (ie, the higher the score, the less comprehensive the review).
2. The percentages in this table do not round to 100% due to rounding and because agencies were able to select more than one response for this question.

**Table E.8 Does the department/agency consider the licence could be improved in any way? (Percentage of significant licences)**

Licence duration	Exemptions or thresholds	Terms and conditions	Compliance, enforcement or audit activities	Administration	Fees	Other
12%	12%	16%	25%	32%	23%	12%

**Notes:**

1. For 'potential improvements' the department/agency was scored '1' for each category *selected* (ie, the higher the score, the more features the regulator considers could be improved).
2. The percentages in this table do not round to 100% due to rounding and because agencies were able to select more than one response for this question.

**Table E.9 Are licence exemptions or thresholds that are based on a dollar value automatically adjusted on a regular basis (eg, indexed annually by CPI)? (Percentage of significant licences)**

	Yes	No	Not applicable	No response
	11%	9%	50%	30%
<b>Score:</b>	0	1	0	-

### **Set licence fees on a logical basis & establish mechanisms to ensure they are regularly adjusted**

#### **Key findings**

- ▼ Survey data indicates that 16% of 'significant' licences have fees set at a nominal or arbitrary level. A more logical basis for fee setting may be ensuring fees are cost reflective (either in terms of regulator, environmental or social costs).
- ▼ About 28% of licence fees have not been reviewed in the last 5 years. These licences could be reformed by introducing more regular fee adjustments.

**Table E.10 On what basis are licence fees set or determined? (Percentage of significant licences)**

Set by the licensor/regulator to recover costs of licensing/regulating the activity	Set by the licensor/regulator to reflect social costs (eg, environmental or health costs) of the activity	Set by the licensor/regulator to act as a price signal to achieve a desired level of activity (or manage or moderate activity levels)	Set by the licensor/regulator to collect funds for other purposes or activities	Set by the licensor/regulator at a nominal or arbitrary level (eg, based on historic precedent)	Set by the market (eg, auctioned/tradeable licences)	Other
51%	3%	5%	5%	16%	1%	25%
Score: 0	0	0	1	2	0	1

**Note:** The percentages in this table do not round to 100% due to rounding and because agencies were able to select more than one response for this question.

**Table E.11 When were licence fees last reviewed (this excludes pre-determined CPI adjustments)? (Percentage of significant licences)**

	Within the last 2 years	More than 2 years ago, but within the last 5 years	More than 5 years ago, but within the last 10 years	More than 10 years ago or never	No response
	27%	19%	11%	17%	24%
Score:	0	1	2	3	-

**Note:** For 2% of 'significant' licence types, agencies indicated that this question was 'not applicable' to the licence type.

**Table E.12 Are licence fees automatically adjusted on a regular basis (eg, indexed annually by CPI)? (Percentage of significant licences)**

	Yes	No	Not applicable	No response
	39%	39%	1%	22%
Score:	0	1	0	-

**Note:** The percentages in this table do not round to 100% due to rounding.



## Ensure the compliance regime is targeted to licence risks

### Key findings

- ▼ Regulators still conduct blanket inspections or audits for 15% of ‘significant’ licences.
- ▼ Moving to a more risk-based compliance regime is consistent with the reform directions outlined as part of the former Better Regulation Office’s (BRO’s) Quality Regulatory Services Initiative.<sup>420</sup>

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<sup>420</sup> NSW Government, Quality Regulatory Services initiative, [http://www.betterregulation.nsw.gov.au/quality\\_regulatory\\_services\\_initiative](http://www.betterregulation.nsw.gov.au/quality_regulatory_services_initiative), accessed 4 April 2013.

**Table E.13 What compliance activities does the department/agency undertake or require from licensees? (Percentage of significant licences)**

	<b>Blanket department/ agency inspections or audits</b>	<b>Random department/ agency inspections or audits</b>	<b>Targeted inspections or audits by the department/ agency</b>	<b>Surveys of licensees</b>	<b>Periodic/ standardised self-reporting by licensees</b>	<b>Exceptions reporting by licensees</b>	<b>Audit reports, produced by third parties, commissioned and provided by licensees</b>	<b>Responding to complaints or reports from consumers or members of the community</b>	<b>Other</b>
	15%	44%	56%	13%	32%	16%	18%	64%	15%
<b>Score:</b>	2	1	0	0	1	0	1	0	0

**Notes:**

1. For 15% of 'significant' licence types, agencies did not provide a response to this question.
2. The percentages in this table do not round to 100% due to rounding and because agencies were able to select more than one response for this question.

## **Improve licence administration by providing greater clarity around licence processing times & offering more online licence services**

### **Key findings**

- ▼ Of the 'significant' licences:
  - only 5% had a simplified renewal process for licences with long track records of compliance
  - only 34% had structures in place to provide clarity about approval times
  - only 22% had structures in place to provide clarity about renewal times.
- ▼ These approval and renewal structures refer to legally binding time limits or guaranteed levels of service for licence processing.
- ▼ Providing greater clarity in licence processing times is consistent with the reform directions outlined as part of the former BRO's Quality Regulatory Services Initiative.<sup>421</sup>

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<sup>421</sup> Ibid.

## Provide greater clarity around licence processing times

**Table E.14 Is there a legally binding time limit for processing applications? (Percentage of significant licences)**

Yes	No	No response
13%	75%	13%

**Note:** The percentages in this table do not round to 100% due to rounding.

**Table E.15 Does the department/agency have a guaranteed level of service for processing applications (eg, the department/agency guarantees to process applications within 30 days)? (Percentage of significant licences)**

Yes	No	No response
27%	58%	15%

**Note:** For 'processing applications' the department/agency was scored '0' if they answered 'Yes' to either question, '1' if they answered 'No' both questions, and '0.5' if they answered 'No' to only one question.

**Table E.16 Is there a legally binding time limit for processing renewals? (Percentage of significant licences)**

Yes	No	No response
6%	63%	31%

**Table E.17 Does the department/agency have a guaranteed level of service for processing renewals (eg, the department/agency guarantees to process renewals within 30 days)? (Percentage of significant licences)**

Yes	No	No response
19%	49%	32%

**Note:** For 'processing renewals' the department/agency was scored '0' if they answered 'Yes' to either question, '1' if they answered 'No' both questions, and '0.5' if they answered 'No' to only one question.

**Table E.18 Is there any simplified process to renew licences by licensees with a long track record of compliance? (Percentage of significant licences)**

	Yes	No	Not applicable	No response
	5%	61%	2%	33%
<b>Score:</b>	0	1	0	-

**Note:** The percentages in this table do not round to 100% due to rounding.

[Offer more online licence services](#)

**Table E.19 Which of the following services are available online for the licence? (Percentage of significant licences)**

Information about the licence	Application lodgement	Renewal lodgement	Payment of application fees	Payment of renewal fees	Update details online	Other
79%	22%	22%	23%	25%	18%	23%

**Notes:**

1. For 'online services' the department/agency was scored '1' for each category *not selected* (ie, the higher the score, the less online services available).
2. The percentages in this table do not round to 100% due to rounding and because agencies were able to select more than one response for this question.

## F Adjustments to the initial ‘Top 32’ priority licence list

While our policy scoring system was generally a good or reasonable indicator of reform potential, there were limitations associated with applying it across such a broad range of licences. As such, we made some initial adjustments to some policy score components for licences where there was an obvious reason to do this.

In addition, the preliminary licence reform priorities identified using our methodology were reviewed in order to account for licences where it was immediately apparent that our policy scoring system had over- or understated the potential for reform.

This appendix briefly describes initial adjustments made to the original list of significant licences and details the specific adjustments made to the initial ‘Top 32’ priority licence list. Adjustments relating to the other 41 licences now also classified as significant are presented separately in Table H.6 in Appendix H. Since our Draft Report, we have revised the number of priority licences from 32 to 40, following the incorporation of an additional 11 licence types identified as reform priorities, and deleting three licence types deemed no longer relevant. The final list of priority licences contains 40 licence types and is referred to as the ‘Top 40’ list.

### Initial adjustments to list of ‘significant’ licences

#### ‘Duration’ scores

An initial adjustment was made to the duration score for basic certifications and registrations, for example those administered by the Registry of Births, Deaths and Marriages. For these licences, the duration score was set to ‘0’ so that no penalty was incurred due to an ongoing duration (which for these licences is a reasonable duration), eg, for ‘Registration of Birth in NSW’ – a duration of ‘ongoing’ in this case is reasonable.

The duration score for licences where the regulator specifically commented that the licence duration could be improved through extending the duration, was reweighted to give a score of ‘1’.

### **'Conditions' scores**

An initial adjustment was made to the conditions score for basic registrations administered by the Registry of Births, Deaths and Marriages and for some basic licences that do not have any specific conditions or which have very basic conditions. For these licences, the conditions score was set to '0' so that no penalty was incurred due to not using best practice (eg, cost-benefit analysis, public consultation) when setting licence terms and conditions for these licences where this is essentially irrelevant eg, for 'Registration of Birth in NSW'.

### **'Review process' scores**

An initial adjustment was made to the review process score for some basic licences that are likely to have a very low scope for reform with best practice review and where the level of rigour associated with best practice is not appropriate for the licence type eg, 'Approval of a State Funeral'. For these licences, the review process score was set to '0' so that no penalty was incurred due to not using best practice to review the licence.

### **Adjustments to the initial 'Top 32' priority licence list**

All licences in the 'top 25%' of licences by licence numbers and/or licence revenue were reviewed, following which some were excluded from/included in our 'top 32' priority licences where there was a clear and obvious case for this. Licences that were excluded from/included in our 'top 32' priority licences following review, and the reason(s) for exclusion/inclusion are specified in Table F.1.

Table F.1 Licences excluded from/included in the initial ‘Top 32’ priority licence list and policy score adjustments (where applicable)

Licence type	Department	Agency	Sub-agency	Original scoring breakdown							Revised policy score	Excluded from or included in 'top 32' priority licence list	Adjustment and/or reasoning
				Original policy score	Policy component - duration (RC1)	Policy component - conditions (RC2)	Policy component - review (RC3)	Policy component - fee setting (RC4)	Policy component - compliance (RC5)	Policy component - administration (RC6)			
Application to Minister for admission as JP	AGD	Department level licence		0.43	0.00	1.00	0.19	1.00	0.00	0.42	Not applicable	Excluded	This licence has nil licence fees or revenue, so the fee setting policy score has likely been overstated, which has most likely over-inflated the overall policy score. Taking this into account and the fact that the policy score is only just above median, this licence has been excluded from the priority list.
Owner Builder Permit	DFS	NSW Fair Trading		0.41			0.50	0.33	0.20	0.61	Not applicable	Included	Licence numbers are high, however licence revenue data was not provided (likely to be high) and the policy score is only just below the median. Furthermore, there was missing data in questionnaire response which has most likely caused the policy score to be understated. As such, this licence has been included in the priority licence list.
Environment Protection Licence	DPC	Environment Protection Authority		0.41	1.00	0.00	0.44	0.17	0.60	0.25	Not applicable	Included	Licence revenue is high and the policy score only just below median. Licence revenue generally reflects the complexity of a licence scheme and potential burden that may be imposed by the licence. As such, this licence has been included in the priority list.
Section 15B Certificate	DTIRIS	Department of Primary Industries	Mine Subsidence Board	0.44	0.50		0.20	0.56		0.50	0.31	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.
Water Access Licences	DTIRIS	Department of Primary Industries	NSW Office of Water	0.47	1.00	0.25	0.33	0.11	0.40	0.75	0.31	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an 'ongoing' duration is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.
Certificates of Competence	DTIRIS	Division of Resources and Energy	Mine Safety Branch	0.43	1.00	0.00	0.49	0.33	0.20	0.58	0.27	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an 'ongoing' duration is



Original scoring breakdown													
Licence type	Department	Agency	Sub-agency	Original policy score	Policy component - duration (RC1)	Policy component - conditions (RC2)	Policy component - review (RC3)	Policy component - fee setting (RC4)	Policy component - compliance (RC5)	Policy component - administration (RC6)	Revised policy score	Excluded from or included in 'top 32' priority licence list	Adjustment and/or reasoning
Approval of Gaming Equipment	DTIRIS	NSW Office of Liquor, Gaming and Racing		0.51	1.00	0.25	0.50	0.56	0.20	0.58	0.35	Excluded	reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.
Licence to Conduct Public Lotteries	DTIRIS	NSW Office of Liquor, Gaming and Racing		0.49	1.00	0.25	0.09	0.17	0.40	1.00	Not applicable	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an 'ongoing' duration is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.
Private mooring licence	Transport for NSW	Roads and Maritime Services	Maritime	0.45	1.00	0.00	0.33	0.44	0.40	0.50	0.28	Excluded	There is a very low number of licences issued for this licence type and it is unlikely that the policy scoring results are appropriate for this licence type (particularly in terms of the licence's duration and fee setting as only 2 licences have been issued, each with a duration of greater than 10 years, and a large proportion of revenue relates to taxes/rents). As such, this licence has not been included in the priority list.
P2 provisional drivers licence	Transport for NSW	Roads and Maritime Services	Roads	0.44	0.50	0.50	0.56	0.00	0.20	0.88	0.36	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a duration of 1 year is reasonable as private moorings are a rationed resource and so a more flexible duration is required to accommodate changes in demand. Under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.
													The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration (ie, less than 5 years) is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.

Original scoring breakdown														
Licence type	Department	Agency	Sub-agency	Original policy score	Policy component - duration (RC1)	Policy component - conditions (RC2)	Policy component - review (RC3)	Policy component - fee setting (RC4)	Policy component - compliance (RC5)	Policy component - administration (RC6)	Revised policy score	Excluded from or included in 'top 32' priority licence list	Adjustment and/or reasoning	
Mobility Parking Scheme Permit - Individual	Transport for NSW	Roads and Maritime Services	Roads	0.42	0.50	0.50	0.28	0.22	0.00	1.00	Not applicable	Excluded	The administration score has most likely been overstated (which has over inflated the policy score for this licence) because there are few (if any) online services are offered, but this licence requires a photograph and that proof of identity be provided (ie, a face-to-face interaction is required). As such, this licence has not been included in the priority list.	
P1 provisional Drivers licence	Transport for NSW	Roads and Maritime Services	Roads	0.52	1.00	0.50	0.56	0.00	0.20	0.88	0.36	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration (ie, less than 5 years) is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.	
Registration as a Veterinary Practitioner	Other	Veterinary Practitioners Board of New South Wales		0.56	1.00	0.25	0.28	0.33	0.60	0.88	0.39	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a duration of 1 year is reasonable (in line with human health professional registrations) - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.	
Private Health Facilities Licence	NSW Ministry of Health	Private Health Care Branch		0.46	1.00	0.00	0.06	0.00	0.80	0.88	0.29	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a duration of 'ongoing' is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score to well below median, so this licence has not been included in the priority list.	
Retail electricity supplier's licence	DPC	IPART		0.65	1.00	0.75	0.50	0.56	0.20	0.92	0.49	Initially remained included, but now excluded – see Appendix P, Table P.2	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a duration of 'ongoing' is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score, however the score is still above the median, so this licence remains included	

Original scoring breakdown													
Licence type	Department	Agency	Sub-agency	Original policy score	Policy component - duration (RC1)	Policy component - conditions (RC2)	Policy component - review (RC3)	Policy component - fee setting (RC4)	Policy component - compliance (RC5)	Policy component - administration (RC6)	Revised policy score	Excluded from or included in 'top 32' priority licence list	Adjustment and/or reasoning
Natural Gas Retail Suppliers authorisation	DPC	IPART		0.76	1.00	1.00	0.33	0.89	0.40	0.92	0.59	Initially remained included, but now excluded – see Appendix P, Table P.2	in the priority list. The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a duration of 'ongoing' is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score, however the score is still above the median, so this licence remains included in the priority list.
Natural Gas Reticulator's Authorisation	DPC	IPART		0.73	1.00	1.00	0.50	0.89	0.00	1.00	0.56	<b>Remains included</b>	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a duration of 'ongoing' is reasonable - under the original scoring, the licence was being penalised for this. As such, the duration score was adjusted, which adjusts the policy score, however the score is still above the median, so this licence remains included in the priority list.

**Note:** The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## G Estimating potential gains from licence reform scenarios – Multiplier methodology

This appendix presents the methodology to evaluate potential gains from the licence reform. The methodology is based on policy scores computed for the originally identified 269 ‘significant’ licences using responses to the extended policy questionnaire, and assumptions about the ‘optimal’ licence (presented in Table 4.1 in Chapter 4). Since our Draft Report, we identified 41 ‘other’ licence types to add to the original set of 269 ‘significant’ licences, resulting in the total of 310 ‘significant’ licences for our Final Report. Results reported in this appendix are based on the analysis of the original 269 ‘significant’ licences presented in the Draft Report.

Estimating the potential gains from the licence reform requires us to make some assumptions and simplifications. Precise estimates of the gains cannot be derived in this high-level approach, but the relative magnitude of the effects may still be demonstrated. We start with the direct effects on the licence holders and work through the flow-on effects of licensing on the broader economy and community.

### Direct effects of licensing

Direct effects of licensing on licence holders are linked to the number of licences and/or to the revenues raised by a licence, reflecting the immediate financial burden on the licensees. While licence fees may serve as the starting point to calculate the direct burden of licensing, the fees alone do not provide a full estimate of the direct burden. In addition, licence fees may not be set efficiently, or they may include a tax or rent component. Therefore, licence revenues are only an imperfect approximation of the costs of an efficiently designed and administered licence.

Time costs associated with administering the licence-related tasks by the licensees, compliance costs in terms of equipment, competency and specific attributes requirements, and delay costs all contribute to the direct costs of licensing to licence holders. Results from the *Have your say* survey of licence holders (presented in Appendix N) suggest that, on average, licence fees represent less than 20% of total burden of licensing reported in the sample.

Hence, the licence fees have to be inflated by a factor which would incorporate administrative and compliance costs associated with licensing. This factor will differ across broad areas of licensing, in line with the specific features of these areas. It is also most likely to differ within the licence area group as well. This factor could be econometrically estimated from a purpose designed survey achieving a balanced sample across all licence types. However, available data does not allow us to reliably estimate this scaling factor, and some further simplifying assumptions have to be made.

### Indirect effects of licensing

Estimating the indirect effects of licensing adds another layer of uncertainty as to the accuracy of our estimates of the total burden. Indirect effects of licensing impact parties other than licence holders, through a variety of channels. Licensing, either through restriction of competition or by imposing the direct costs on licensees, raises the price for the product or service offered in the regulated market. The higher prices are passed down the supply chain to other industry users and on to consumers. Economy-wide effects of licensing compound the increased costs of production in all sectors using the licenced products/ services as inputs in their production. Employment in the regulated sector is also affected by the additional costs imposed by licensing.

Traditionally licensing has been associated with barriers to entry, monopoly profits and restricted output. Privilege licences in particular provide access to scarce resources and limit the quantity of activities undertaken in the sector, thus imposing barriers to entry and conveying economic rents.<sup>422</sup> Price/quantity distortions due to licensing might result in inefficient allocation of resources across sectors of economic activity. To capture these distortive effects of the licensing on the broader economy, a comprehensive modelling exercise using Computable General Equilibrium (CGE) models could be appropriate.

Another important limitation of our approach is that, while focussing on licence design and administration, it does not evaluate the economic rationale for the existence of the licence in first place, nor the alternative options (including no licensing). In other words, application of this methodology cannot result in the recommendation to abolish the licence. In the terminology of the Licensing Framework and the Licensing Guide, our methodology deals with Stage 2 ('Is licensing well designed?') and Stage 3 ('Is licensing administered effectively/efficiently?') assessments only. The recommendation to abolish a licence can result only from the Stage 1 or Stage 4 assessments, which would involve a detailed cost-benefit analysis (CBA) or Regulation Impact Statement (RIS) to evaluate the extent of the problem underlying the potential need for regulation (licensing), risks involved, and evaluation of all alternative options.

<sup>422</sup> PricewaterhouseCoopers (PwC) (2013), *A best practice approach to designing and reviewing licensing schemes – Guidance material*, pp 33, 50 and Appendix B.

In order to conduct a high-level assessment of the wide range of licences in NSW, we have developed a simplified model to evaluate the likely magnitude of red tape savings/ gains associated with the reform of licences. The model takes into account several key channels through which licensing impacts the NSW economy. It does not capture social externalities, environmental costs or income distribution issues. While incapable to generate precise estimates of red tape savings, the model provides useful insights into the relative importance of reforming licences in a particular area.

### Modelling assumptions

- ▼ There is an 'optimal' licence as defined in Table 4.1 (in Chapter 4).
- ▼ Each licence can be classified into 1 of 16 licence areas (Table L.1, Appendix L).
- ▼ The direct costs of an optimal licence are known/estimated.
- ▼ The indirect costs of an optimal licence are estimated applying a multiplier specific to a licence area (a *structural multiplier*).
- ▼ A *structural multiplier* captures the flow-on effects of licensing, including:
  - the degree of its importance (as intermediate goods and services, and as final goods) to the economy
  - sectoral share of employment
  - the relative size of the sub-sector regulated by licensing (measured by licence fees in relation to the sectoral share in NSW Gross State Product (GSP)).
- ▼ A structural multiplier is determined for a licence area and is not licence-specific.
- ▼ The total burden of an optimal licence is obtained by applying structural multiplier to the estimate of direct burden.
- ▼ Inefficient/ suboptimal licence design and administration impose additional costs through a *policy multiplier*, a weighted average of the 6 reform categories/ policy scores presented in Table 4.1 (in Chapter 4).
  - Policy score component is a number between 0 and 1.
  - The higher the policy index score, the more burdensome is the reform category, and the higher the scope for the reform.
- ▼ A policy multiplier is calculated for each 'significant' licence and is licence-specific. Equal weights are assumed.
- ▼ The total burden of a current licence is calculated by applying the policy multiplier to the total burden of an optimal licence.

- ▼ Policy reform scenarios can be modelled by setting the corresponding policy score to 0. Comprehensive reform of a licence simultaneously sets all 6 policy components (and overall policy score) to 0 (an ‘optimal’ licence).
- ▼ The difference between the pre-reform and post-reform (‘optimal’) burden is the potential gains from the reform.

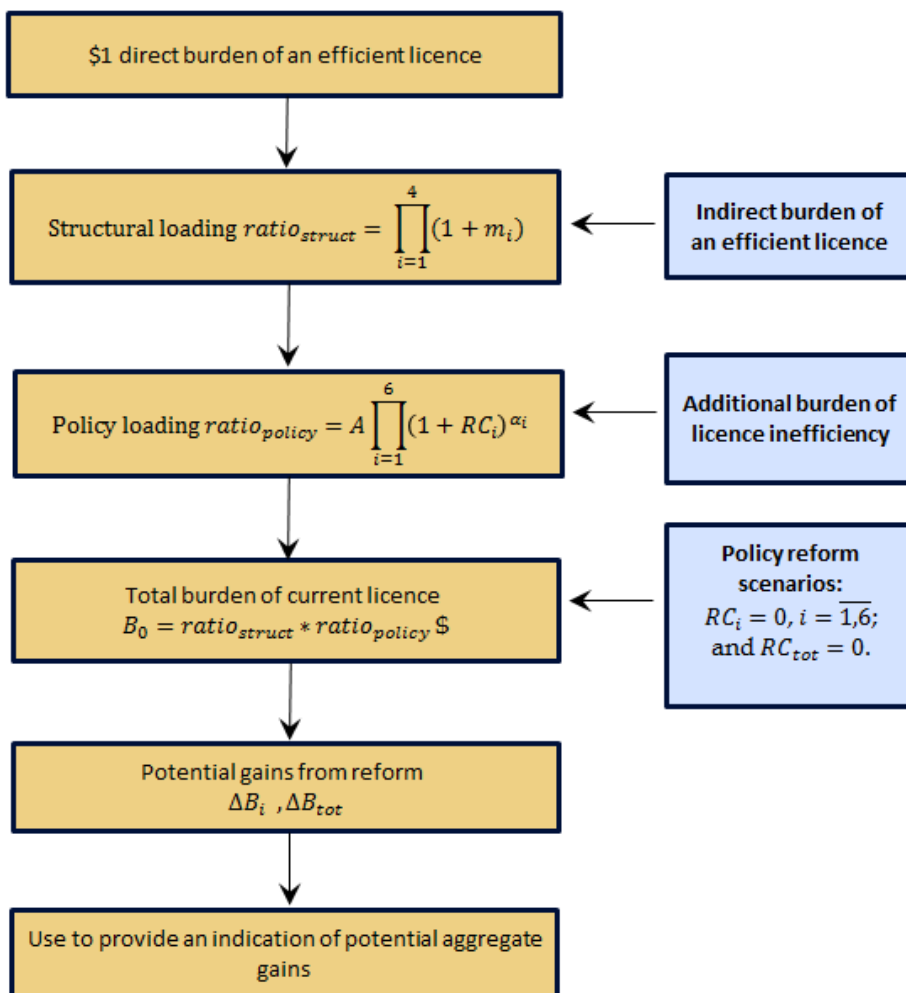
The potential gains from the licence reforms will be higher the more important is the sector in the economy, and the higher the degree of policy inefficiency in licence design and administration.

### Main limitations of the modelling approach

- ▼ The proposed approach is based on a simplified model under a number of assumptions about the properties of the optimal licence, the characteristics of the licenced sectors, and the mechanisms of impact of licensing on the broader community and the NSW economy.
- ▼ While consistent with the Licensing Framework to assess licences, the scoring model cannot capture all details of individual licence, and should be considered as a high-level assessment. Any implications from the scoring methodology and especially the methodology to estimate gains from the reform should be treated as *indicative* only.

Figure G.1 represents the steps involved in the process of evaluating the potential gains from the reform using the proposed methodology. The remaining part of the appendix provides a description of the building blocks of the model and presents results of its application to the ‘Top 40’ priority licences. Estimates of the potential gains from the reform for the original 269 ‘significant’ licences are presented in the ‘Potential gains’ column in Tables J.1, J.2 and J.3 in Appendix J. Estimates of the potential gains from the reform for the other 41 licences now also classified as significant are presented separately in the ‘Potential gains’ column in Tables H.3, H.4 and H.5 in Appendix H.

**Figure G.1 Estimation of reduction in burden of licensing / potential gains from the licence reform**



### Structural multiplier

The structural multiplier is modelled as a product of 4 factors described in Table G.1:

$$ratio_{struct} = \prod_{i=1}^4 (1 + m_i)$$

$$m_i \in [0; 1]$$

By inflating direct burden of licensing using the structural multiplier, we approximate the flow-on effects of licensing on economy and broader community.



**Table G.1 4 factors contributing to the structural multiplier**

Scale-up factor	Comment
Share of intermediate goods in total sectoral output ( $m_1$ ) <sup>a</sup>	Proxy of the downstream effect of licensing (through higher prices to customers)
Share of the sector in total output ( $m_2$ ) <sup>a</sup>	Proxy of the sector's overall economic importance
Share of sectoral employment in total employment ( $m_3$ ) <sup>a</sup>	Proxy of the impact of licensing on employment the sector
Share of licence revenue in total NSW Gross State Product (GSP) ( $m_4$ ) <sup>b</sup>	Proxy of importance of the licensed activities in the sector

<sup>a</sup> Estimated using ABS 5209.0.55.001 Australian National Accounts: Input-Output Tables - 2008-09. Released 10 September 2012.

<sup>b</sup> Estimated using ABS 5220.0 - Australian National Accounts: State Accounts, 2011-12. Released 21 November 2012.

We used the national Input-Output (I-O) tables<sup>423</sup> to calculate the share of intermediate goods in total industry output, the share of industry output in total output, and the sectoral share of employment. Industry codes used in the national Input-Output tables are listed in Table L.2 in Appendix L. The Australian Bureau of Statistics (ABS) does not calculate I-O tables for individual States and Territories, and the national tables are the best data available for the NSW level analysis, despite its limitations.

We calculated the share of total licence revenue in the NSW GSP.<sup>424</sup> Licence areas which cannot be clearly allocated to the productive activities in the I-O tables are 'Private transport', 'Business registration' and 'Other'. These areas were assigned a zero structural loading, equivalent to the structural multiplier of 1.

Mapping of the ABS I-O Tables sectors into relevant licence area sectors and sector-specific values for the m-factors are provided in Table L.3 and Table L.4 in Appendix L. Results of the application of 4 factors to calculate combined structural multiplier are presented in Table G.2.

<sup>423</sup> ABS 5209.0.55.001 Australian National Accounts: Input-Output Tables - 2008-09. Released 10 September 2012.

<sup>424</sup> ABS 5220.0 Australian National Accounts: State Accounts, 2011-12. Released 21 November 2012.

**Table G.2 Estimated structural multipliers (indirect effects scale factor) by licence area**

Licence area	Structural ratio
Ageing, disability or children	1.22
Business registration	1.00
Culture or recreation	1.48
Dangerous goods	1.77
Electricity, gas or water	1.76
Environment, plants or animals	1.81
Firearms/weapons	1.00
Food	1.50
Health or pharmaceutical	1.17
Liquor, gaming or racing	1.28
Mining	1.55
Occupational (eg, required to practice in professional occupation)	2.38
Other	1.00
Private transport	1.00
Residential or commercial works	1.69
Public transport	1.72

**Source:** IPART calculations based on Table L.4, Appendix L.

Taking an occupational licence as an example, this modelling implies that a \$1 initial direct burden imposed by an ‘optimally’ designed and administered licence in the ‘Occupational’ area will result in \$2.38 total burden, taking into account its indirect effects through the structural multiplier factor.

### Policy multiplier

Policy scores included in this analysis follow the 6 policy reform categories discussed in Table 4.1 (in Chapter 4) and are calculated for each ‘significant’ licence using available survey data. The policy scores are:

- licence duration (RC1)
- conditions of the licence (RC2)
- licence review process (RC3)
- fee setting policies (RC4)
- compliance & enforcement (RC5), and
- administration (RC6).

By design,

$$RC_i \in [0; 1]$$

Total policy impact is modelled as

$$RC_{tot} = \sum_{i=1}^6 \alpha_i RC_i, \text{ with}$$

$$\sum_{i=1}^6 \alpha_i = 1,$$

$\alpha_i \in [0; 1]$  - relative weights on policy score components.

Combined effect of licence policy inefficiency is represented by a policy loading factor:

$$ratio_{policy} = A \prod_{i=1}^6 (1 + RC_i)^{\alpha_i}$$

where A is a calibration parameter.

The higher the policy scores, the more inefficiencies exist in licence design and administration. Mean policy scores by licence area are presented in the Appendix L, Table L.5. Combining policy scores and assuming equal weights on policy components, we estimated policy multipliers reflecting inefficiency loading (the scope for reform) on a licence (Table G.3).

**Table G.3 Estimated policy multipliers (licence inefficiency scale factor) by licence area**

Licence area	Policy ratio
Ageing, disability or children	1.41
Business registration	1.49
Culture or recreation	1.30
Dangerous goods	1.57
Electricity, gas or water	1.48
Environment, plants or animals	1.49
Firearms/weapons	1.50
Food	1.32
Health or pharmaceutical	1.41
Liquor, gaming or racing	1.47
Mining	1.49
Occupational (eg, required to practice in professional occupation)	1.44
Other	1.33
Private transport	1.43
Residential or commercial works	1.29
Public transport	1.47

**Source:** IPART analysis using NSW Government Department licence survey data. Table L.6, Appendix L.

Extending the example of an occupational licence from the step above, a \$1 total (direct and indirect) burden of an optimal licence will result in, on average, \$1.44 total burden through licence inefficiency. In other words, an inefficient licence is 44% more burdensome than an efficient licence.

### Total burden of a licence

For each ‘significant’ licence, we estimate the combined effect (burden of a licence) as a product of 2 components:

$$B_0 = ratio_{struct} * ratio_{policy}$$

Table G.4 reports the mean estimated total burden by licence area.

**Table G.4 Estimated total burden of licensing by licence area**

Licence area	Total burden
Ageing, disability or children	1.71
Business registration	1.49
Culture or recreation	1.92
Dangerous goods	2.79
Electricity, gas or water	2.60
Environment, plants or animals	2.70
Firearms/weapons	1.50
Food	1.98
Health or pharmaceutical	1.65
Liquor, gaming or racing	1.87
Mining	2.31
Occupational (eg, required to practice in professional occupation)	3.42
Other	1.33
Private transport	1.43
Residential or commercial works	2.18
Public transport	2.53

**Source:** IPART analysis using NSW Government Department licence survey data. Table L.6, Appendix L.

Using the example of an occupational licence, the \$1 direct burden of an optimally designed occupational licence was scaled up to a \$2.38 burden through its flow-on structural effects, and further to \$3.42 total burden including licence inefficiency.

### Licence reform scenarios

Removing policy inefficiency through licence reform options brings the burden of licensing back to the level justified by the structural factor.

Policy reform scenarios:  $RC_i = 0$ ,  $i = \overline{1,6}$ ; and  $RC_{tot} = 0$ .

Estimated burden:  $B_i$ ,  $i = \overline{1,6}$ ; and  $B_{tot}$

We are interested in the reform options delivering the largest gains. Additional assumptions are:

- ▼ Policy scenarios assume move to the ‘optimal’ setting for each reform category  $RC_i = 0$ , ie, no ‘half-measures’ are taken into account.
- ▼ Direct burden of the optimal licence is constant and known.
- ▼ Costs to the regulator of implementing the reform, and redistribution effects are not considered.
- ▼ The calibration factor and policy weights can be gauged to match available reliable estimates of (policy) burden in specific licensing areas. Estimates of the gain in absolute (dollar) terms are highly imprecise.
- ▼ In the first instance, licence fees serve as the proxy for the direct burden of a licence.

### Potential gains from the licence reform options

Reduction in total burden/ gain from the partial reform (the  $i^{\text{th}}$  reform category):

$$\Delta B_i = B_0 - B_i = B_0 * [1 - (1 + RC_i)^{-\alpha_i}], \text{ and}$$

gains from total reform

$$\Delta B_{tot} = B_0 - B_{tot} = B_0 * [1 - \prod_{i=1}^6 (1 + RC_i)^{-\alpha_i}]$$

Results of the application of policy reform scenarios to \$1 direct burden are presented in Table L.7, Appendix L.

### Example: Application of the multiplier methodology to ‘Occupational’ licence

Using a typical ‘Occupational’ licence as an example, we will apply the multiplier methodology presented in Figure G.1 step by step.

For each \$1 initial direct burden imposed by an ‘optimally’ designed and administered licence in the ‘Occupational’ area, an application of the structural loading will translate into \$2.38 burden including indirect effects (Table G.2).

Applying an average policy inefficiency scale-up factor of 1.44 for ‘Occupational’ licence area (Table G.3), yields the estimated total burden scale-up factor of  $2.38 \times 1.44 = 3.42$ . That is, starting with the \$1 initial direct burden of an optimal ‘Occupational’ licence, a total burden imposed by an actual licence is on average \$3.42, accounting for both indirect effects (structural component) and policy inefficiency.

Removing the policy inefficiency from the average ‘Occupational’ licence will bring the burden of licensing back to the level justified by its structural characteristics, ie, to \$2.38. This translates into a reduction of \$1.04 ( $\$3.42 - \$2.38 = \$1.04$ ), on average, for each \$1 direct efficient cost of licence. The last column of Table L.7 in Appendix L provides the results for overall policy scenarios, and lists 1.05 as the estimated gain (difference due to the approximation). Ranges for potential gains from the licence reform for the original 269 ‘significant’ licences are provided in the ‘Potential gains’ column in Tables J.1, J.2 and J.3, Appendix J. Ranges for potential gains from the licence reform for the other 41 licences now also classified as significant are presented separately in the ‘Potential gains’ column in Tables H.3, H.4 and H.5 in Appendix H. In total, our estimates indicate that improvements to the design and administration of these 310 licences could save at least \$342 million per year across the NSW economy.

The average structural multiplier by area of licensing (Table L.6 in Appendix L) ranges from 1 (eg, ‘Private transport’) to 2.38 (eg, ‘Occupational’). The policy multiplier ranges from 1.29 (‘Residential and commercial works’) to 1.57 (‘Dangerous goods’), with average policy inefficiency scale-up factor of 1.44 for ‘Occupational’. Overall burden factor ranges from 1.33 (‘Other’) to 3.42 (‘Occupational’). The high overall burden of ‘Occupational’ licensing in this model is due to its structural component. In the productive sector linked to the ‘Occupational’ licensing area, most of the sector output (82%) is used as an intermediate input to other sectors of production. The sector corresponds to 14% of total output and 14% of total employment (Table L.4, Appendix L). Hence, its indirect effects on other sectors are high, as reflected in the highest value of the structural multiplier across all licence areas.

### Application of multiplier methodology to ‘Top 40’ priority licences

We applied the multiplier methodology to estimate policy reform gains for the 40 priority licences in Table 5.1, in Chapter 5.

Figure G.2 plots the ‘Top 40’ priority licences, by number of licences (in natural logarithmic scale) vs total policy score. The size of the bubble is determined by an estimated potential gain per \$1 in direct cost savings. Licences labelled 40, 36, 17 and 19 appear to be delivering the highest gain per \$1 in direct savings. These are the ‘Individual private accredited certifiers – building surveying and subdivision’ (labelled 40), ‘Registration as architect (full)’ (labelled 36), ‘Certificate of registration as a real estate salesperson’ (labelled 17) and ‘Real

estate agent' licence (labelled 19). Most of the gains from reform of these occupational licences are estimated to be through optimising licence duration and conditions. Table G.5 lists the 40 priority licences in decreasing order of the estimated proportionate gains from reform. Reform categories delivering most of these gains are listed in the last column.

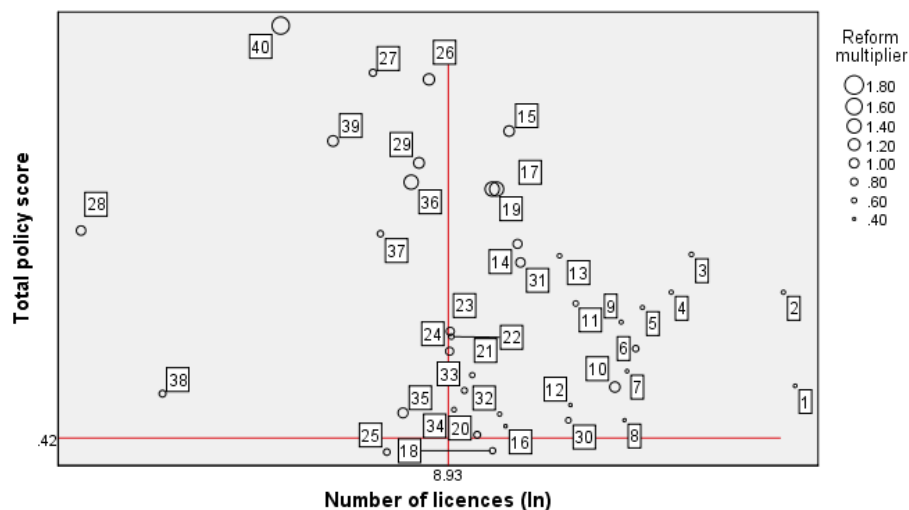
Figure G.3 plots the 40 priority licences, by licence revenue (in natural logarithmic scale) vs total policy score. Licences delivering the largest proportionate gains from reform are 'Individual private accredited certifiers – building surveying and subdivision' (labelled 40), 'Registration as architect (full)' (labelled 36), and 'Operator accreditation – Taxi' (labelled 26) (see Table G.5).

Figure G.4 plots the 40 priority licences ordered by the potential proportionate gain, labelled by their order in the list (Table 5.1 in Chapter 5). It shows the relative importance of the 6 reform areas (ie, licence duration, conditions, review process, fee setting, compliance and administration) in achieving the overall gains from the reform.

Note that the estimate of potential gains is proportionate to the direct burden of an optimal licence. Total absolute gains from the reform depend on the baseline level of burden. Even smaller propensity for reform applied to the high-volume/high direct burden a licence is likely to result in large absolute gains.

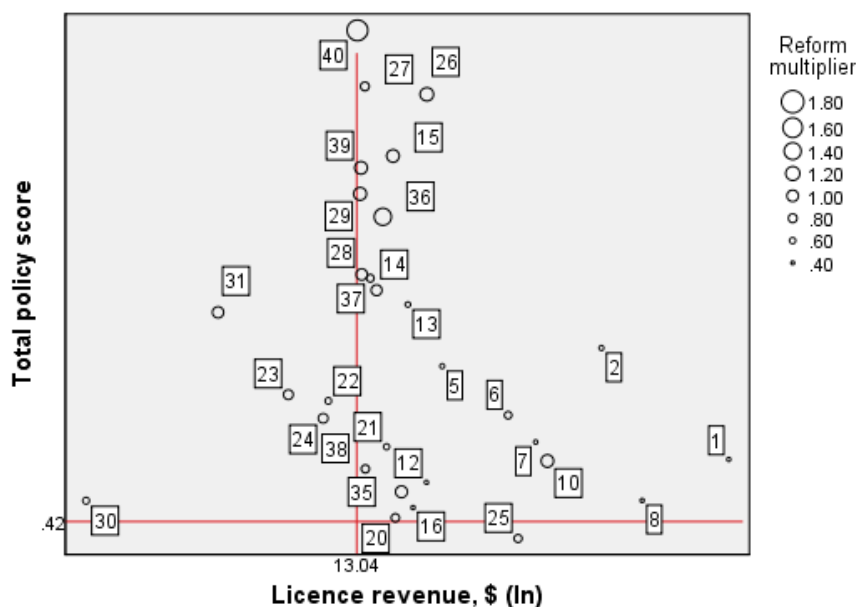
Table G.6 presents results of the application of the burden multiplier to the subset of the 40 priority licences for which the licence revenue data was available.

**Figure G.2** Number of licences (logarithmic transform) vs total policy score, 'Top 40' priority licences



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure G.3** Total licence revenue (logarithmic transform) vs total policy score, 'Top 40' priority licences



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table G.5** Priority licences ordered by relative gains from the reform, 'Top 40' priority licences

List order number	Licence type name	Reform multiplier
40	Individual Private Accredited Certifiers - building surveying and subdivision	1.68
36	Registration as architect (full)	1.42
17	Certificate of Registration as a Real estate Salesperson	1.41
19	Real Estate Agent	1.41
26	Operator Accreditation - Taxi	1.15
29	Occupiers Licence (Protected Fauna)	1.11
39	NABERS Accredited Assessor Agreement	1.10
15	Driver Authority - Taxi	1.09
10	Home Building licences	1.08
35	Valuer	1.04
28	Natural Gas Reticulator's Authorisation	0.99
31	Enclosure permit for roads or watercourses	0.98
14	Driver Authority - Bus	0.96
23	Dangerous Goods Driver Licence	0.88



List order number	Licence type name	Reform multiplier
24	Plant Health Certificates	0.87
27	Pharmacy Registration and Renewal	0.79
20	Radiation User Licence	0.77
38	Roads permits and approvals	0.76
25	Environment Protection Licence	0.74
37	Transfer liquor licence (T)	0.72
6	Recreational Fishing Fee	0.71
18	Owner Builder Permit	0.70
33	Food Safety Supervisor (FSS) notification	0.68
30	Notification of a Food Business	0.65
22	On-Premises Licence	0.63
11	Working with Children Check (Commission for Children and Young People Checking Agency only)	0.63
21	Permit to Conduct a Lottery-Trade Promotion - single promotion	0.59
34	RSA/RCG Course	0.56
3	Registration of Firearms	0.55
13	Permit to Acquire Firearms (PTA)	0.55
32	Voluntary Out of Home Care - placement notification	0.53
2	Drivers Licence - Car	0.52
4	Drivers Licence - Rider	0.52
5	NSW Photo ID Card	0.51
9	Drivers Licence - Heavy Rigid	0.50
7	Registration of a Commercial or Recreational Vessel	0.47
1	Registration of a Light Vehicle	0.46
12	Conditional Registration	0.44
8	Registration of a Heavy Vehicle	0.43
16	Heavy Vehicle Permit	0.43

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Table G.6 Priority licences ordered by estimated absolute potential gains from reform,<sup>a</sup> ‘Top 40’ priority licences**

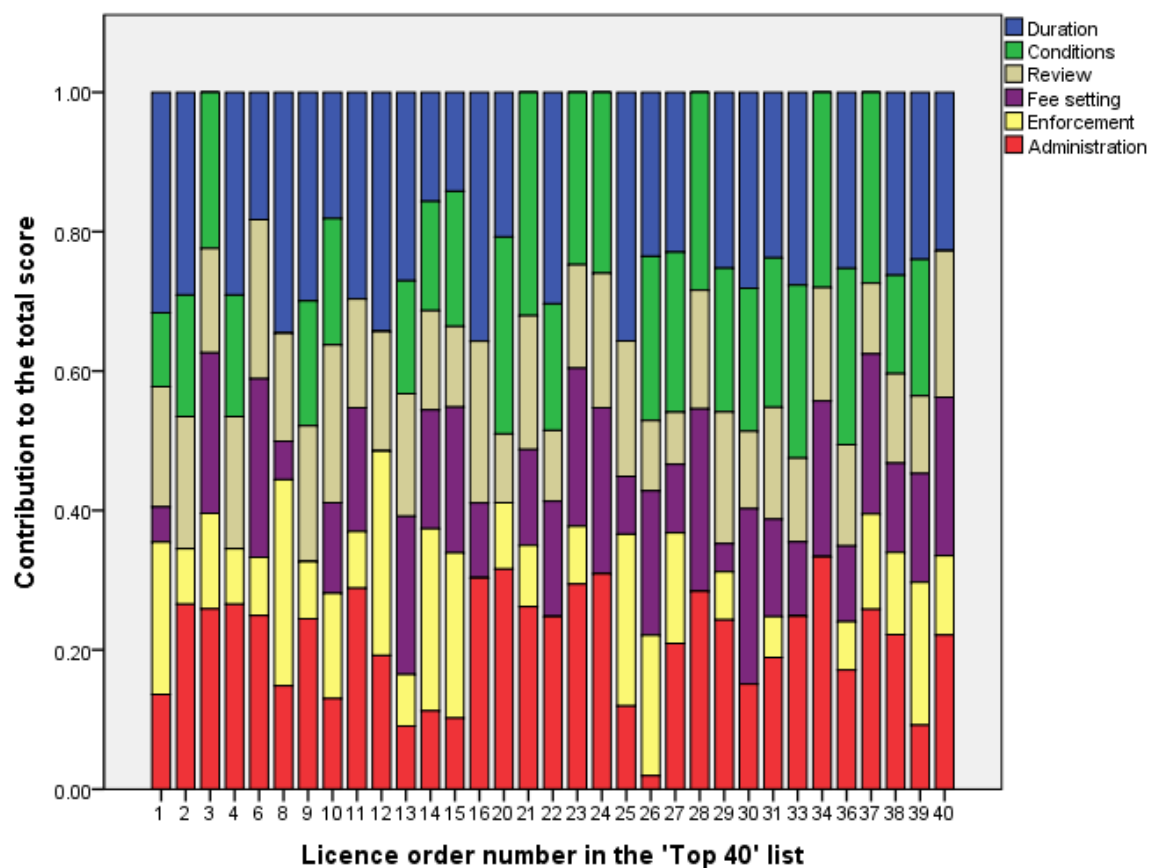
List order number	Licence type name	Reform multiplier	Potential gains from licence reform, \$m
1	Registration of a Light Vehicle	0.46	>100
2	Drivers Licence - Car	0.52	50 - 100
10	Home Building licences	1.08	25 - 50
25	Environment Protection Licence	0.74	10 - 25
7	Registration of a Commercial or Recreational Vessel	0.47	10 - 25
6	Recreational Fishing Fee	0.71	5 - 10
8	Registration of a Heavy Vehicle	0.43	2.5 - 5
26	Operator Accreditation - Taxi	1.15	2.5 - 5
5	NSW Photo ID Card	0.51	0.5 - 2.5
35	Valuer	1.04	0.5 - 2.5
36	Registration as architect (full)	1.42	0.5 - 2.5
15	Driver Authority - Taxi	1.09	0.5 - 2.5
12	Conditional Registration	0.44	0.5 - 2.5
20	Radiation User Licence	0.77	0.5 - 2.5
40	Individual Private Accredited Certifiers - building surveying and subdivision	1.68	0.5 - 2.5
13	Permit to Acquire Firearms (PTA)	0.55	0.5 - 2.5
16	Heavy Vehicle Permit	0.43	0.5 - 2.5
14	Driver Authority - Bus	0.96	0.5 - 2.5
39	NABERS Accredited Assessor Agreement	1.10	0.5 - 2.5
29	Occupiers Licence (Protected Fauna)	1.11	0.5 - 2.5
21	Permit to Conduct a Lottery-Trade Promotion - single promotion	0.59	0.5 - 2.5
28	Natural Gas Reticulator's Authorisation	0.99	0.5 - 2.5
37	Transfer liquor licence (T)	0.72	<0.5
27	Pharmacy Registration and Renewal	0.79	<0.5
38	Roads permits and approvals	0.76	<0.5
24	Plant Health Certificates	0.87	<0.5
22	On-Premises Licence	0.63	<0.5
23	Dangerous Goods Driver Licence	0.88	<0.5
31	Enclosure permit for roads or watercourses	0.98	<0.5
30	Notification of a Food Business	0.65	<0.5
3	Registration of Firearms	0.55	-
4	Drivers Licence - Rider	0.52	-
9	Drivers Licence - Heavy Rigid	0.50	-
11	Working with Children Check (Commission for Children and Young People Checking Agency only)	0.63	-

List order number	Licence type name	Reform multiplier	Potential gains from licence reform, \$m
17	Certificate of Registration as a Real estate Salesperson	1.41	-
18	Owner Builder Permit	0.70	-
19	Real Estate Agent	1.41	-
32	Voluntary Out of Home Care - placement notification	0.53	-
33	Food Safety Supervisor (FSS) notification	0.68	-
34	RSA/RCG Course	0.56	-
<b>Total gains from reform of priority licences</b>			<b>&gt;212 \$m</b>

<sup>a</sup> Gains from reform were estimated by applying the reform multiplier to total licence revenue (where reported and positive). Revenue adjustment was used for registration of light and heavy vehicles. Vehicle registration fees include a Motor Vehicle Tax component ('weight tax'). The tax component was removed from the total revenue figure. Revenue from Motor Vehicle Tax is used to fund road construction and maintenance (Roads and Maritime Services (2012) *Fees and concessions*, <http://www.rta.nsw.gov.au/registration/feesconcessions/index.html>, accessed 20 March 2013).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

**Figure G.4 Contribution of 6 policy reform components to overall potential gains from reform for the priority licences (by list order number), 'Top 40' priority licences**



**Data source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## H 'Other' licences in the top 25% by licence numbers and/or revenue

As indicated in our Draft Report, we identified an additional 26 licence types based on the number of licences and 21 licence types based on licence revenue that we considered may be potentially significant. These licence types are presented in:

- ▼ Table H.1 – 'Other' licences in top 25% of licence numbers distribution.
- ▼ Table H.2 – 'Other' licences in top 25% of licence revenue distribution.

We contacted the relevant regulators and asked them to complete the policy questionnaire for each of the 44 'other' licence types identified in Table H.1 and H.2. We received a completed questionnaire response for 41 of these licence types<sup>425</sup> and have now estimated the potential scope for reforming these licences using our policy score methodology.

This appendix presents the results of our scoring analysis for these 41 licence types. This analysis is a 'gap analysis' using the parameters and median policy scores used to score the original 269 significant licences, and as such is presented separately to our analysis of the original 269 significant licences (which is presented in Appendices I, J and M).

With the addition of these 41 other licence types (that we have now classified as significant) to our original 269 significant licences, our licence review has identified a total of 310 significant licences. Of the 41 other licence types, there are 11 licences with 'above median' policy scores that have been added to the bottom of the initial priority list, resulting in a final 'Top 40' list of priority licences (presented in Table 5.1).

Table H.3, H.4 and H.5 present notional ranking bands to indicate where each of the 'other' licences would rank between, if they were incorporated into the original list of 269 'significant' licences when ranked by number of licences, licence revenue and policy score.

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<sup>425</sup> Forests NSW did not provide a questionnaire response for licence type: 'Occupation Permit (Forestry)'. Roads and Maritime Services did not provide a questionnaire response for licence types: 'Oversize Specific Permit' and 'Overmass and Oversize Specific Permit' (as these 2 licence types had actually already been counted as part of the survey and questionnaire returned for licence type: 'Heavy Vehicle Permit').

## H 'Other' licences in the top 25% by licence numbers and/or revenue

Our estimates indicate that improvements to the design and administration of:

- ▼ the 41 other licences (now classified as significant) could save at least \$5 million per year across the NSW economy
- ▼ the 11 licences with 'above median' policy scores could save at least \$2 million per year across the NSW economy.

Table H.1 ‘Other’ licences in top 25% of licence numbers distribution (NSW Government department/agency licences) ranked by licence numbers

Number	Licence type	Department	Agency	Licence area	Assessment 1 Licence numbers (median = 814 <sup>a</sup> ) Number of licences	Assessment 2 Licence revenue (median = 35,581 <sup>a</sup> ) Licence revenue <sup>b</sup>	Identified in the review process (submissions, <i>Have your say</i> )
1	Drivers Licence - Medium Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	127,679	-	
2	Tradesperson's certificate	NSW Department of Finance and Services	NSW Fair Trading	12. Occupational	120,461	159,458	✓
3	Drivers Licence - Heavy Combination	Transport for NSW	Roads and Maritime Services	14. Private transport	110,908	-	
4	Drivers Licence - Light Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	86,186	-	
5	Notification of a Food Business	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	8. Food	74,376	1,115	✓
6	Approval to construct a basic landholder rights (domestic and stock) groundwater works	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	5. Electricity, gas or water	59,146	113,763	
7	Registration of incorporated association	NSW Department of Finance and Services	NSW Fair Trading	2. Business registration	35,609	221,741	
8	Registration as an employer (building and construction)	NSW Department of Finance and Services	Long Service Corporation	12. Occupational	33,231	-	
9	Enclosure permit for roads or watercourses	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	6. Environment, plants or animals	29,853	21,051	
10	Roads Occupancy Licence - Development Activities, Non Development Activities and Special Events	Transport for NSW	Department level licence	17. Public transport	27,000	-	
11	Registration as worker (contract cleaning)	NSW Department of Finance and Services	Long Service Corporation	12. Occupational	25,122	-	
12	Drivers Licence - Multi-combination	Transport for NSW	Roads and Maritime Services	14. Private transport	21,054	-	
13	Native Animal Keeper's Licence - Reptile Keeper's Licence	NSW Department of Premier and Cabinet	Office of Environment and Heritage	6. Environment, plants or animals	20,278	365,064	
14	Voluntary Out of Home Care - placement notification	NSW Department of Education and Communities <sup>c</sup>	Office of Communities <sup>c</sup>	1. Ageing, disability or children	20,085	-	
15	Fire Permit	NSW Department of Attorney General and Justice	NSW Rural Fire Service	6. Environment, plants or animals	19,128	-	
16	Crown Land Tenure (Lease, Licence or Permit)	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	6. Environment, plants or animals	18,681	408,260	
17	Unregistered Vehicle Permit	Transport for NSW	Roads and Maritime Services	13. Other	16,112	340,240	
18	Approval as an Examiner to Conduct Vehicle Inspections	Transport for NSW	Roads and Maritime Services	12. Occupational	14,100	143,341	
19	Overmass and Oversize Specific Permit	Transport for NSW	Roads and Maritime Services	13. Other	12,865	926,280	
20	Motor vehicle repairers licence	NSW Department of Finance and Services	NSW Fair Trading	12. Occupational	12,628	2,759,147	

H ‘Other’ licences in the top 25% by licence numbers and/or revenue

Number	Licence type	Department	Agency	Licence area	Assessment 1 Licence numbers (median = 814 <sup>a</sup> ) Number of licences	Assessment 2 Licence revenue (median = 35,581 <sup>a</sup> ) Licence revenue <sup>b</sup>	Identified in the review process (submissions, <i>Have your say</i> )
21	Mobility Parking Scheme Permit - Temporary	Transport for NSW	Roads and Maritime Services	13. Other	11,212	114,672	
22	Mobility Parking Scheme Permit - Organisation	Transport for NSW	Roads and Maritime Services	13. Other	11,142	208,445	
23	Food Safety Supervisor (FSS) notification	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	8. Food	10,299	-	✓
24	Notification by person engaging in tobacco retailing	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	8,912	-	
25	Oversize Specific Permit	Transport for NSW	Roads and Maritime Services	13. Other	8,796	633,312	
26	RSA/RCG Course	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,439	-	

<sup>a</sup> Median is calculated for the sub-sample of 'Significant' licences (269 observations).  
<sup>b</sup> Licence revenue may include rents and taxes, in addition to licence administration charges.  
<sup>c</sup> This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.  
**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

H 'Other' licences in the top 25% by licence numbers and/or revenue



Table H.2 'Other' licences in top 25% of licence revenue distribution (NSW Government department/agency licences) ranked by licence revenue

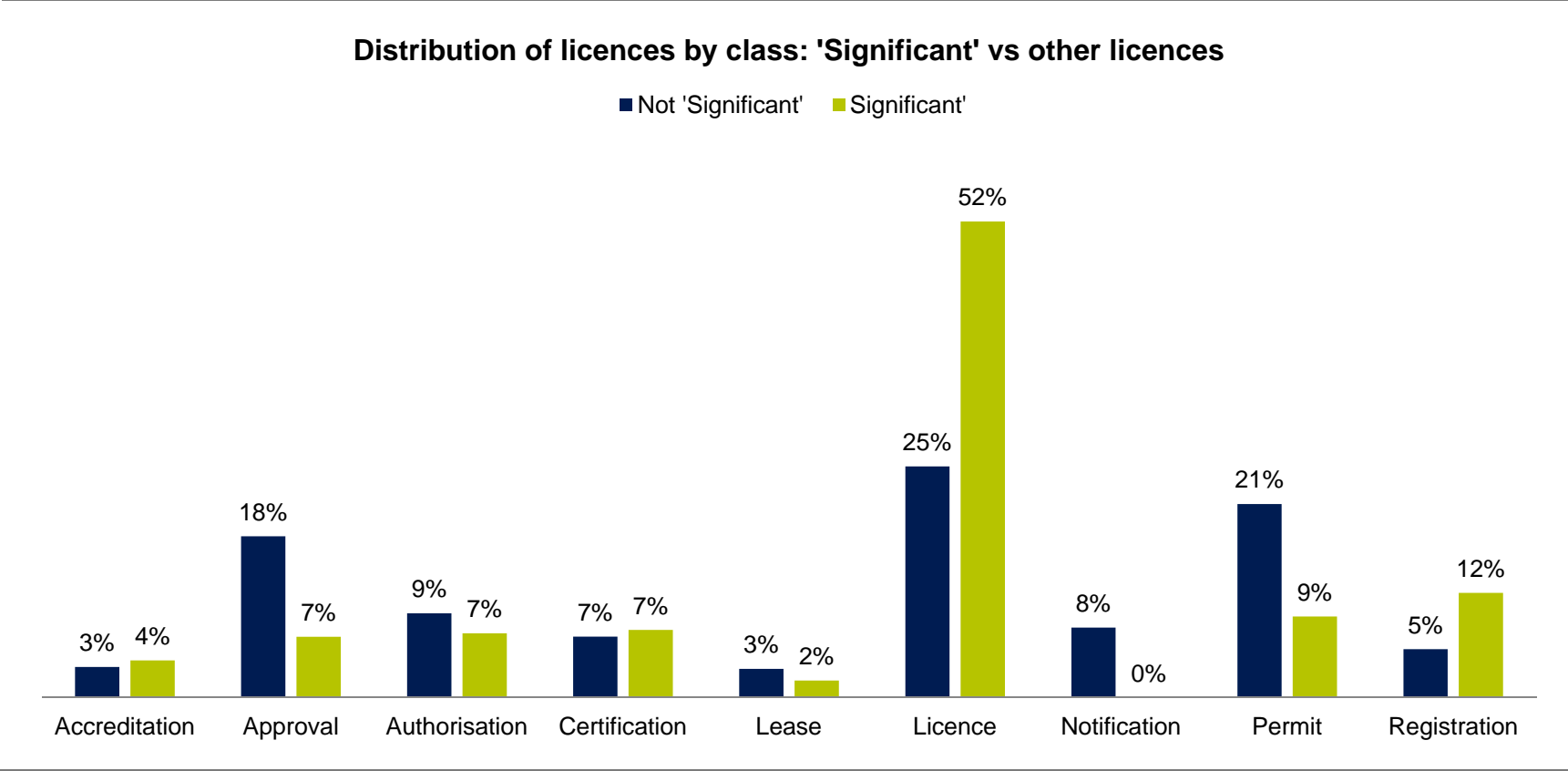
Number	Licence type	Department	Agency	Licence area	Assessment 1 Licence numbers (median = 814 <sup>a</sup> ) Number of licences	Assessment 2 Licence revenue (median = 35,581 <sup>a</sup> ) Licence revenue <sup>b</sup>	Identified in the review process (submissions, <i>Have your say</i> )
1	Occupation Permit (Forestry)	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	6. Environment, plants or animals	771	2,924,262	
2	Motor vehicle repairers licence	NSW Department of Finance and Services	NSW Fair Trading	12. Occupational	12,628	2,759,147	
3	Motor dealer (includes dealer, auto dismantler wholesaler, motor vehicle parts reconstructor, car market operator and motor vehicle consultant)	NSW Department of Finance and Services	NSW Fair Trading	12. Occupational	3,876	2,393,202	
4	Tenancy Licence	NSW Department of Premier and Cabinet	Office of Environment and Heritage	6. Environment, plants or animals	567	1,500,000	
5	Valuer	NSW Department of Finance and Services	NSW Fair Trading	12. Occupational	3,196	1,248,239	✓
6	Overmass and Oversize Specific Permit	Transport for NSW	Roads and Maritime Services	13. Other	12,865	926,280	
7	Controlled activity approval	NSW Department of Trade and Investment, Regional Infrastructure and Services	Department of Primary Industries	5. Electricity, gas or water	777	896,742	
8	Registration as architect (full)	NSW Department of Finance and Services	NSW Architects Registration Board	12. Occupational	3,734	825,310	✓
9	Tow Truck Operator's Licence	Transport for NSW	Roads and Maritime Services	12. Occupational	861	796,057	
10	Travel agent	NSW Department of Finance and Services	NSW Fair Trading	12. Occupational	1,382	732,741	✓
11	Property Licences - Glebe Island / White Bay	Transport for NSW	Sydney Ports Corporation	13. Other	20	663,098	
12	Oversize Specific Permit	Transport for NSW	Roads and Maritime Services	13. Other	8,796	633,312	
13	Transfer liquor licence (T)	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,080	624,000	
14	Permit to Conduct a Lottery-Trade Promotion - multiple promotion	NSW Department of Trade and Investment, Regional Infrastructure and Services	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,120	616,000	
15	Section100B Authority	NSW Department of Attorney General and Justice	NSW Rural Fire Service	6. Environment, plants or animals	1,906	609,920	
16	Standpipes - licence to extract water from hydrants	Other	Hunter Water Corporation	5. Electricity, gas or water	375	600,000	
17	Pipeline licences (Pipelines Act)	NSW Department of Trade and Investment, Regional Infrastructure and Services	Division of Resources and Energy	11. Mining	31	560,973	
18	Roads permits and approvals	NSW Department of Premier and Cabinet	Barangaroo Delivery Authority	15. Residential or commercial works	33	558,950	

H 'Other' licences in the top 25% by licence numbers and/or revenue

Number	Licence type	Department	Agency	Licence area	Assessment 1 Licence numbers (median = 814 <sup>a</sup> ) Number of licences	Assessment 2 Licence revenue (median = 35,581 <sup>a</sup> ) Licence revenue <sup>b</sup>	Identified in the review process (submissions, <i>Have your say</i> )
19	Unsupervised Handling Licence	NSW Department of Finance and Services	WorkCover NSW	4. Dangerous goods	6,529	529,904	
20	NABERS Accredited Assessor Agreement	NSW Department of Premier and Cabinet	Office of Environment and Heritage	5. Electricity, gas or water	845	507,000	
21	Individual Private Accredited Certifiers - building surveying and subdivision	NSW Department of Premier and Cabinet	Department of Planning and Infrastructure	12. Occupational	312	468,000	✓

<sup>a</sup> Median is calculated for the sub-sample of 'Significant' licences (269 observations).  
<sup>b</sup> Licence revenue may include rents and taxes, in addition to licence administration charges.  
**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

Figure H.1 Comparison of 'Significant' and 'Other' licences by class of regulatory instrument



Data source: IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

Table H.3 All 41 ‘other’ licences for which a questionnaire response was received – ranked by licence numbers

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Drivers Licence - Medium Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	127,679	21 - 22	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Tradesperson's certificate	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	120,461	21 - 22	159,458	100 - 101	0.31	215 - 216	0.00	1.00	0.00			0.25	0.74	<0.5				
Drivers Licence - Heavy Combination	Transport for NSW	Roads and Maritime Services	14. Private transport	110,908	21 - 22	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Drivers Licence - Light Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	86,186	25 - 26	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Notification of a Food Business	DTIRIS	Department of Primary Industries	8. Food	74,376	27 - 28	1,115	177 - 178	0.43	122 - 123	0.00	0.75	0.34	1.00	0.00	0.50	0.65	<0.5	✓	✓		
Approval to construct a basic landholder rights (domestic and stock) groundwater works	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	59,146	30 - 31	113,763	105 - 106	0.37	161 - 162	1.00	0.00	0.45	0.11	0.40	0.25	0.65	<0.5				
Registration of incorporated association	DFS	NSW Fair Trading	2. Business registration	35,609	37 - 38	221,741	90 - 91	0.31	215 - 216	0.00	0.50	0.50	0.44	0.00	0.42	0.31	<0.5				
Registration as an employer (building and construction)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	33,231	39 - 40	-	180	0.34	185 - 186	0.00	0.50	0.33		0.60	0.25	0.80	-				
Enclosure permit for roads or watercourses	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	29,853	41 - 42	21,051	146 - 147	0.54	65 - 66	0.00	1.00	0.67	0.56	0.20	0.83	0.98	<0.5		✓		
Roads Occupancy Licence - Development Activities, Non Development	Transport for NSW	Department level licence	17. Public transport	27,000	42 - 43	-	180	0.41	144 - 145	0.00	1.00	0.58		0.20	0.25	0.70	-				

H ‘Other’ licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Activities and Special Events																					
Registration as worker (contract cleaning)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	25,122	42 - 43	-	180	0.34	185 - 186	0.00	0.50	0.33		0.60	0.25	0.80	-				
Drivers Licence - Multi-combination	Transport for NSW	Roads and Maritime Services	14. Private transport	21,054	45 - 46	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Native Animal Keeper's Licence - Reptile Keeper's Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	20,278	47 - 48	365,064	75 - 76	0.09	268 - 269	0.00	0.00	0.09	0.00	0.20	0.25	0.16	<0.5				
Voluntary Out of Home Care - placement notification	Education and Communities <sup>c</sup>	Office of Communities <sup>c</sup>	1. Ageing, disability or children	20,085	47 - 48	-	180	0.44	119 - 120	0.00	0.50	0.67		0.60	0.42	0.53	-	✓			
Fire Permit	AGD	NSW Rural Fire Service	6. Environment, plants or animals	19,128	47 - 48	-	180	0.31	220 - 221	0.00	0.00	0.11	0.33	0.40	1.00	0.56	-				
Crown Land Tenure (Lease, Licence or Permit)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	18,681	48 - 49	408,260	69 - 70	0.42	128 - 129	0.00	1.00	0.38	0.11	0.20	0.83	0.76	<0.5				
Unregistered Vehicle Permit	Transport for NSW	Roads and Maritime Services	13. Other	16,112	54 - 55	340,240	78 - 79	0.31	215 - 216	0.00	0.00	0.17	0.44	0.80	0.46	0.31	<0.5				
Approval as an Examiner to Conduct Vehicle Inspections	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	14,100	55 - 56	143,341	101 - 102	0.31	215 - 216	0.00	0.50	0.27	0.00	0.20	0.89	0.74	<0.5				
Motor vehicle repairers licence	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	12,628	56 - 57	2,759,147	22 - 23	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5				
Mobility Parking Scheme Permit - Temporary	Transport for NSW	Roads and Maritime Services	13. Other	11,212	58 - 59	114,672	105 - 106	0.33	185 - 186	0.00	0.50	0.28	0.22	0.00	1.00	0.33	<0.5				

H 'Other' licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Mobility Parking Scheme Permit - Organisation	Transport for NSW	Roads and Maritime Services	13. Other	11,142	58 - 59	208,445	94 - 95	0.42	131 - 132	0.50	0.50	0.28	0.22	0.00	1.00	0.42	<0.5				
Food Safety Supervisor (FSS) notification	DTIRIS	Department of Primary Industries	8. Food	10,299	58 - 59	-	180	0.45	112 - 113	0.00	1.00	0.39	0.33	0.00	1.00	0.68	-	✓	✓		
Notification by person engaging in tobacco retailing	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	8,912	62 - 63	-	180	0.32	194 - 195	0.00		0.33		0.00	0.96	0.38	-				
RSA/RCG Course	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,439	63 - 64	-	180	0.44	119 - 120	0.00	0.75	0.38	0.56	0.00	0.96	0.56	-		✓		
Unsupervised Handling Licence	DFS	WorkCover NSW	4. Dangerous goods	6,529	69 - 70	529,904	62 - 63	0.32	194 - 195	0.00	0.00	0.20	0.83	0.20	0.71	0.57	<0.5				
Motor dealer (includes dealer, auto dismantler wholesaler, motor vehicle parts reconstructor, car market operator and motor vehicle consultant)	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,876	83 - 84	2,393,202	24 - 25	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5				
Registration as architect (full)	DFS	NSW Architects Registration Board	12. Occupational (eg required to practice in professional occupation)	3,734	83 - 84	825,310	53 - 54	0.60	31 - 32	1.00	1.00	0.48	0.33	0.20	0.58	1.42	0.5 - 2.5	✓	✓		
Valuer	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,196	88 - 89	1,248,239	41 - 42	0.44	119 - 120	0.50	1.00	0.00			0.25	1.04	0.5 - 2.5	✓	✓		
Transfer liquor licence (T)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,080	105 - 106	624,000	60 - 61	0.56	55 - 56	0.00	1.00	0.28	0.78	0.40	0.92	0.72	<0.5		✓		

H 'Other' licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Section100B Authority	AGD	NSW Rural Fire Service	6. Environment, plants or animals	1,906	109 - 110	609,920	61 - 62	0.37	160 - 161	1.00	0.00	0.36	0.44	0.00	0.42	0.67	<0.5				
Travel agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	1,382	119 - 120	732,741	55 - 56	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5	✓			
Permit to Conduct a Lottery-Trade Promotion - multiple promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,120	128 - 129	616,000	60 - 61	0.33	185 - 186	0.00	0.75	0.45	0.56	0.00	0.25	0.43	<0.5				
Tow Truck Operator's Licence	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	861	133 - 134	796,057	54 - 55	0.32	213 - 214	0.50	0.00	0.18	0.56	0.20	0.46	0.75	0.5 - 2.5				
NABERS Accredited Assessor Agreement	DPC	Office of Environment and Heritage	5. Electricity, gas or water	845	133 - 134	507,000	64 - 65	0.63	19 - 20	1.00	0.75	0.37	0.56	0.80	0.29	1.10	0.5 - 2.5		✓		
Controlled activity approval	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	777	137 - 138	896,742	50 - 51	0.36	162 - 163	0.50	0.00	0.22	0.11	0.40	0.96	0.64	0.5 - 2.5				
Tenancy Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	567	140 - 141	1,500,000	36 - 37	0.56	56 - 57		1.00	0.05	0.22		0.96	1.01	0.5 - 2.5				
Standpipes - licence to extract water from hydrants	Other	Hunter Water Corporation	5. Electricity, gas or water	375	149 - 150	600,000	61 - 62	0.44	118 - 119	0.00	1.00	0.50	0.00	0.20	0.96	0.78	<0.5				
Individual Private Accredited Certifiers - building surveying and subdivision	DPC	Department of Planning and Infrastructure	12. Occupational (eg required to practice in professional occupation)	312	155 - 156	468,000	67 - 68	0.71	1 - 2	1.00	0.00	0.89	1.00	0.40	0.96	1.68	0.5 - 2.5		✓		
Roads permits and approvals	DPC	Barangaroo Delivery Authority	15. Residential or commercial works	33	208 - 209	558,950	61 - 62	0.45	112 - 113	0.00	0.50	0.44	0.44	0.40	0.92	0.76	<0.5		✓		
Pipeline	DTIRIS	Division of	5. Electricity,																		

H Other licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier	Potential gains from reform (\$ million)		
				31	208 - 209	560,973	61 - 62	0.40	146 - 147	0.00	0.50	0.50	0.00	0.40	1.00	0.62	<0.5		
licences (Pipelines Act)		Resources and Energy	gas or water																
Property Licences - Glebe Island / White Bay	Transport for NSW	Sydney Ports Corporation	13. Other	20	220 - 221	663,098	58 - 59	0.40	148 - 149	0.00	0.50	0.47	0.22	0.20	1.00	0.40	<0.5		

<sup>a</sup> Median is calculated for the sub-sample of 'Significant licences (269 observations).

<sup>b</sup> This is a notional ranking band to indicate where the licence would rank between if it was incorporated into the original list of 269 significant licences when ranked by number of licences, licence revenue and policy score, eg, Drivers Licence – Medium Rigid would rank (by number of licences) between the licences ranked 21 and 22 in Table J.1 in Appendix J.

<sup>c</sup> This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.

**Notes:**

1. The licence types presented in this table are ranked first by licence numbers, then by licence revenue, then by policy score. 'Licence numbers' refers to the greatest of the number of new, renewed or in force reported by the department/agency for each licence type. 'Licence revenue' refers to the greatest of the sum of application, renewal and processing fees; and the total revenue reported by the department/agency for each licence type.

2. The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

H 'Other' licences in the top 25% by licence numbers and/or revenue



Table H.4 All 41 ‘other’ licences for which a questionnaire response was received – ranked by licence revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3												Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.								
Motor vehicle repairers licence	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	12,628	56 - 57	2,759,147	22 - 23	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5						
Motor dealer (includes dealer, auto dismantler wholesaler, motor vehicle parts reconstructor, car market operator and motor vehicle consultant)	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,876	83 - 84	2,393,202	24 - 25	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5						
Tenancy Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	567	140 - 141	1,500,000	36 - 37	0.56	56 - 57		1.00	0.05	0.22		0.96	1.01	0.5 - 2.5						
Valuer	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,196	88 - 89	1,248,239	41 - 42	0.44	119 - 120	0.50	1.00	0.00			0.25	1.04	0.5 - 2.5	✓	✓				
Controlled activity approval	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	777	137 - 138	896,742	50 - 51	0.36	162 - 163	0.50	0.00	0.22	0.11	0.40	0.96	0.64	0.5 - 2.5						
Registration as architect (full)	DFS	NSW Architects Registration Board	12. Occupational (eg required to practice in professional occupation)	3,734	83 - 84	825,310	53 - 54	0.60	31 - 32	1.00	1.00	0.48	0.33	0.20	0.58	1.42	0.5 - 2.5	✓	✓				
Tow Truck Operator's Licence	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	861	133 - 134	796,057	54 - 55	0.32	213 - 214	0.50	0.00	0.18	0.56	0.20	0.46	0.75	0.5 - 2.5						
Travel agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional	1,382	119 - 120	732,741	55 - 56	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5	✓					

H ‘Other’ licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Property Licences - Glebe Island / White Bay	Transport for NSW	Sydney Ports Corporation	13. Other	20	220 - 221	663,098	58 - 59	0.40	148 - 149	0.00	0.50	0.47	0.22	0.20	1.00	0.40	<0.5				
Transfer liquor licence (T)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,080	105 - 106	624,000	60 - 61	0.56	55 - 56	0.00	1.00	0.28	0.78	0.40	0.92	0.72	<0.5	✓			
Permit to Conduct a Lottery-Trade Promotion - multiple promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,120	128 - 129	616,000	60 - 61	0.33	185 - 186	0.00	0.75	0.45	0.56	0.00	0.25	0.43	<0.5				
Section100B Authority	AGD	NSW Rural Fire Service	6. Environment, plants or animals	1,906	109 - 110	609,920	61 - 62	0.37	160 - 161	1.00	0.00	0.36	0.44	0.00	0.42	0.67	<0.5				
Standpipes - licence to extract water from hydrants	Other	Hunter Water Corporation	5. Electricity, gas or water	375	149 - 150	600,000	61 - 62	0.44	118 - 119	0.00	1.00	0.50	0.00	0.20	0.96	0.78	<0.5				
Pipeline licences (Pipelines Act)	DTIRIS	Division of Resources and Energy	5. Electricity, gas or water	31	208 - 209	560,973	61 - 62	0.40	146 - 147	0.00	0.50	0.50	0.00	0.40	1.00	0.62	<0.5				
Roads permits and approvals	DPC	Barangaroo Delivery Authority	15. Residential or commercial works	33	208 - 209	558,950	61 - 62	0.45	112 - 113	0.00	0.50	0.44	0.44	0.40	0.92	0.76	<0.5	✓			
Unsupervised Handling Licence	DFS	WorkCover NSW	4. Dangerous goods	6,529	69 - 70	529,904	62 - 63	0.32	194 - 195	0.00	0.00	0.20	0.83	0.20	0.71	0.57	<0.5				
NABERS Accredited Assessor Agreement	DPC	Office of Environment and Heritage	5. Electricity, gas or water	845	133 - 134	507,000	64 - 65	0.63	19 - 20	1.00	0.75	0.37	0.56	0.80	0.29	1.10	0.5 - 2.5	✓			
Individual Private Accredited Certifiers - building surveying and subdivision	DPC	Department of Planning and Infrastructure	12. Occupational (eg required to practice in professional occupation)	312	155 - 156	468,000	67 - 68	0.71	1 - 2	1.00	0.00	0.89	1.00	0.40	0.96	1.68	0.5 - 2.5	✓			
Crown Land Tenure (Lease, Licence or Permit)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	18,681	48 - 49	408,260	69 - 70	0.42	128 - 129	0.00	1.00	0.38	0.11	0.20	0.83	0.76	<0.5				

H 'Other' licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Native Animal Keeper's Licence - Reptile Keeper's Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	20,278	47 - 48	365,064	75 - 76	0.09	268 - 269	0.00	0.00	0.09	0.00	0.20	0.25	0.16	<0.5				
Unregistered Vehicle Permit	Transport for NSW	Roads and Maritime Services	13. Other	16,112	54 - 55	340,240	78 - 79	0.31	215 - 216	0.00	0.00	0.17	0.44	0.80	0.46	0.31	<0.5				
Registration of incorporated association	DFS	NSW Fair Trading	2. Business registration	35,609	37 - 38	221,741	90 - 91	0.31	215 - 216	0.00	0.50	0.50	0.44	0.00	0.42	0.31	<0.5				
Mobility Parking Scheme Permit - Organisation	Transport for NSW	Roads and Maritime Services	13. Other	11,142	58 - 59	208,445	94 - 95	0.42	131 - 132	0.50	0.50	0.28	0.22	0.00	1.00	0.42	<0.5				
Tradesperson's certificate	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	120,461	21 - 22	159,458	100 - 101	0.31	215 - 216	0.00	1.00	0.00			0.25	0.74	<0.5				
Approval as an Examiner to Conduct Vehicle Inspections	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	14,100	55 - 56	143,341	101 - 102	0.31	215 - 216	0.00	0.50	0.27	0.00	0.20	0.89	0.74	<0.5				
Mobility Parking Scheme Permit - Temporary	Transport for NSW	Roads and Maritime Services	13. Other	11,212	58 - 59	114,672	105 - 106	0.33	185 - 186	0.00	0.50	0.28	0.22	0.00	1.00	0.33	<0.5				
Approval to construct a basic landholder rights (domestic and stock) groundwater works	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	59,146	30 - 31	113,763	105 - 106	0.37	161 - 162	1.00	0.00	0.45	0.11	0.40	0.25	0.65	<0.5				
Enclosure permit for roads or watercourses	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	29,853	41 - 42	21,051	146 - 147	0.54	65 - 66	0.00	1.00	0.67	0.56	0.20	0.83	0.98	<0.5	✓			
Notification of a Food Business	DTIRIS	Department of Primary Industries	8. Food	74,376	27 - 28	1,115	177 - 178	0.43	122 - 123	0.00	0.75	0.34	1.00	0.00	0.50	0.65	<0.5	✓	✓		

H 'Other' licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Drivers Licence - Medium Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	127,679	21 - 22	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Drivers Licence - Heavy Combination	Transport for NSW	Roads and Maritime Services	14. Private transport	110,908	21 - 22	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Drivers Licence - Light Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	86,186	25 - 26	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Registration as an employer (building and construction)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	33,231	39 - 40	-	180	0.34	185 - 186	0.00	0.50	0.33		0.60	0.25	0.80	-				
Roads Occupancy Licence - Development Activities, Non Development Activities and Special Events	Transport for NSW	Department level licence	17. Public transport	27,000	42 - 43	-	180	0.41	144 - 145	0.00	1.00	0.58		0.20	0.25	0.70	-				
Registration as worker (contract cleaning)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	25,122	42 - 43	-	180	0.34	185 - 186	0.00	0.50	0.33		0.60	0.25	0.80	-				
Drivers Licence - Multi-combination	Transport for NSW	Roads and Maritime Services	14. Private transport	21,054	45 - 46	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Voluntary Out of Home Care - placement notification	Education and Communities <sup>c</sup>	Office of Communities <sup>c</sup>	1. Ageing, disability or children	20,085	47 - 48	-	180	0.44	119 - 120	0.00	0.50	0.67		0.60	0.42	0.53	-	✓			
Fire Permit	AGD	NSW Rural Fire Service	6. Environment, plants or animals	19,128	47 - 48	-	180	0.31	220 - 221	0.00	0.00	0.11	0.33	0.40	1.00	0.56	-				
Food Safety Supervisor (FSS) notification	DTIRIS	Department of Primary Industries	8. Food	10,299	58 - 59	-	180	0.45	112 - 113	0.00	1.00	0.39	0.33	0.00	1.00	0.68	-	✓			
Notification by person engaging in tobacco	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	8,912	62 - 63	-	180	0.32	194 - 195	0.00		0.33		0.00	0.96	0.38	-				

H 'Other' licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier				
retailing																				
RSA/RCG Course	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,439	63 - 64	-	180	0.44	119 - 120	0.00	0.75	0.38	0.56	0.00	0.96	0.56	-	✓		

<sup>a</sup> Median is calculated for the sub-sample of 'Significant' licences (269 observations).

<sup>b</sup> This is a notional ranking band to indicate where the licence would rank between if it was incorporated into the original list of 269 significant licences when ranked by number of licences, licence revenue and policy score, eg, Motor vehicle repairers licence would rank (by licence revenue) between the licences ranked 22 and 23 in Table J.2 in Appendix J.

<sup>c</sup> This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.

**Notes:**

1. The licence types presented in this table are ranked first by licence revenue, then by licence numbers, then by policy score. 'Licence numbers' refers to the greatest of the number of new, renewed or in force reported by the department/agency for each licence type. 'Licence revenue' refers to the greatest of the sum of application, renewal and processing fees; and the total revenue reported by the department/agency for each licence type.

2. The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

Table H.5 All 41 ‘other’ licences for which a questionnaire response was received – ranked by policy score

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3						Policy area: compliance	Policy area: admin.	Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	‘Top 40’ priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting						
Individual Private Accredited Certifiers - building surveying and subdivision	DPC	Department of Planning and Infrastructure	12. Occupational (eg required to practice in professional occupation)	312	155 - 156	468,000	67 - 68	0.71	1 - 2	1.00	0.00	0.89	1.00	0.40	0.96	1.68	0.5 - 2.5		✓
NABERS Accredited Assessor Agreement	DPC	Office of Environment and Heritage	5. Electricity, gas or water	845	133 - 134	507,000	64 - 65	0.63	19 - 20	1.00	0.75	0.37	0.56	0.80	0.29	1.10	0.5 - 2.5		✓
Registration as architect (full)	DFS	NSW Architects Registration Board	12. Occupational (eg required to practice in professional occupation)	3,734	83 - 84	825,310	53 - 54	0.60	31 - 32	1.00	1.00	0.48	0.33	0.20	0.58	1.42	0.5 - 2.5	✓	✓
Transfer liquor licence (T)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,080	105 - 106	624,000	60 - 61	0.56	55 - 56	0.00	1.00	0.28	0.78	0.40	0.92	0.72	<0.5		✓
Tenancy Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	567	140 - 141	1,500,000	36 - 37	0.56	56 - 57		1.00	0.05	0.22		0.96	1.01	0.5 - 2.5		
Enclosure permit for roads or watercourses	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	29,853	41 - 42	21,051	146 - 147	0.54	65 - 66	0.00	1.00	0.67	0.56	0.20	0.83	0.98	<0.5		✓
Food Safety Supervisor (FSS) notification	DTIRIS	Department of Primary Industries	8. Food	10,299	58 - 59	-	180	0.45	112 - 113	0.00	1.00	0.39	0.33	0.00	1.00	0.68	-	✓	✓
Roads permits and approvals	DPC	Barangaroo Delivery Authority	15. Residential or commercial works	33	208 - 209	558,950	61 - 62	0.45	112 - 113	0.00	0.50	0.44	0.44	0.40	0.92	0.76	<0.5		✓
Standpipes - licence to extract water from hydrants	Other	Hunter Water Corporation	5. Electricity, gas or water	375	149 - 150	600,000	61 - 62	0.44	118 - 119	0.00	1.00	0.50	0.00	0.20	0.96	0.78	<0.5		
RSA/RCG Course	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,439	63 - 64	-	180	0.44	119 - 120	0.00	0.75	0.38	0.56	0.00	0.96	0.56	-		✓

H ‘Other’ licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Valuer	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,196	88 - 89	1,248,239	41 - 42	0.44	119 - 120	0.50	1.00	0.00			0.25	1.04	0.5 - 2.5	✓	✓		
Voluntary Out of Home Care - placement notification	Education and Communities <sup>c</sup>	Office of Communities <sup>c</sup>	1. Ageing, disability or children	20,085	47 - 48	-	180	0.44	119 - 120	0.00	0.50	0.67		0.60	0.42	0.53	-		✓		
Notification of a Food Business	DTIRIS	Department of Primary Industries	8. Food	74,376	27 - 28	1,115	177 - 178	0.43	122 - 123	0.00	0.75	0.34	1.00	0.00	0.50	0.65	<0.5	✓	✓		
Crown Land Tenure (Lease, Licence or Permit)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	18,681	48 - 49	408,260	69 - 70	0.42	128 - 129	0.00	1.00	0.38	0.11	0.20	0.83	0.76	<0.5				
Mobility Parking Scheme Permit - Organisation	Transport for NSW	Roads and Maritime Services	13. Other	11,142	58 - 59	208,445	94 - 95	0.42	131 - 132	0.50	0.50	0.28	0.22	0.00	1.00	0.42	<0.5				
Roads Occupancy Licence - Development Activities, Non Development Activities and Special Events	Transport for NSW	Department level licence	17. Public transport	27,000	42 - 43	-	180	0.41	144 - 145	0.00	1.00	0.58		0.20	0.25	0.70	-				
Pipeline licences (Pipelines Act)	DTIRIS	Division of Resources and Energy	5. Electricity, gas or water	31	208 - 209	560,973	61 - 62	0.40	146 - 147	0.00	0.50	0.50	0.00	0.40	1.00	0.62	<0.5				
Property Licences - Glebe Island / White Bay	Transport for NSW	Sydney Ports Corporation	13. Other	20	220 - 221	663,098	58 - 59	0.40	148 - 149	0.00	0.50	0.47	0.22	0.20	1.00	0.40	<0.5				
Section100B Authority	AGD	NSW Rural Fire Service	6. Environment, plants or animals	1,906	109 - 110	609,920	61 - 62	0.37	160 - 161	1.00	0.00	0.36	0.44	0.00	0.42	0.67	<0.5				
Approval to construct a basic landholder rights (domestic and stock) groundwater works	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	59,146	30 - 31	113,763	105 - 106	0.37	161 - 162	1.00	0.00	0.45	0.11	0.40	0.25	0.65	<0.5				

H 'Other' licences in the top 25% by licence numbers and/or revenue



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Controlled activity approval	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	777	137 - 138	896,742	50 - 51	0.36	162 - 163	0.50	0.00	0.22	0.11	0.40	0.96	0.64	0.5 - 2.5				
Motor vehicle repairers licence	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	12,628	56 - 57	2,759,147	22 - 23	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5				
Motor dealer (includes dealer, auto dismantler wholesaler, motor vehicle parts reconstructor, car market operator and motor vehicle consultant)	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,876	83 - 84	2,393,202	24 - 25	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5				
Travel agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	1,382	119 - 120	732,741	55 - 56	0.35	170 - 171	0.00	1.00	0.00			0.42	0.84	0.5 - 2.5	✓			
Registration as an employer (building and construction)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	33,231	39 - 40	-	180	0.34	185 - 186	0.00	0.50	0.33		0.60	0.25	0.80	-				
Registration as worker (contract cleaning)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	25,122	42 - 43	-	180	0.34	185 - 186	0.00	0.50	0.33		0.60	0.25	0.80	-				
Drivers Licence - Medium Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	127,679	21 - 22	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Drivers Licence - Heavy Combination	Transport for NSW	Roads and Maritime Services	14. Private transport	110,908	21 - 22	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Drivers Licence - Light Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	86,186	25 - 26	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				

H 'Other' licences in the top 25% by licence numbers and/or revenue



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Drivers Licence - Multi-combination	Transport for NSW	Roads and Maritime Services	14. Private transport	21,054	45 - 46	-	180	0.33	185 - 186	0.00	0.50	0.56	0.00	0.20	0.75	0.33	-				
Mobility Parking Scheme Permit - Temporary	Transport for NSW	Roads and Maritime Services	13. Other	11,212	58 - 59	114,672	105 - 106	0.33	185 - 186	0.00	0.50	0.28	0.22	0.00	1.00	0.33	<0.5				
Permit to Conduct a Lottery-Trade Promotion - multiple promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,120	128 - 129	616,000	60 - 61	0.33	185 - 186	0.00	0.75	0.45	0.56	0.00	0.25	0.43	<0.5				
Unsupervised Handling Licence	DFS	WorkCover NSW	4. Dangerous goods	6,529	69 - 70	529,904	62 - 63	0.32	194 - 195	0.00	0.00	0.20	0.83	0.20	0.71	0.57	<0.5				
Notification by person engaging in tobacco retailing	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	8,912	62 - 63	-	180	0.32	194 - 195	0.00		0.33		0.00	0.96	0.38	-				
Tow Truck Operator's Licence	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	861	133 - 134	796,057	54 - 55	0.32	213 - 214	0.50	0.00	0.18	0.56	0.20	0.46	0.75	0.5 - 2.5				
Tradesperson's certificate	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	120,461	21 - 22	159,458	100 - 101	0.31	215 - 216	0.00	1.00	0.00			0.25	0.74	<0.5				
Unregistered Vehicle Permit	Transport for NSW	Roads and Maritime Services	13. Other	16,112	54 - 55	340,240	78 - 79	0.31	215 - 216	0.00	0.00	0.17	0.44	0.80	0.46	0.31	<0.5				
Registration of incorporated association	DFS	NSW Fair Trading	2. Business registration	35,609	37 - 38	221,741	90 - 91	0.31	215 - 216	0.00	0.50	0.50	0.44	0.00	0.42	0.31	<0.5				
Approval as an Examiner to Conduct Vehicle Inspections	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	14,100	55 - 56	143,341	101 - 102	0.31	215 - 216	0.00	0.50	0.27	0.00	0.20	0.89	0.74	<0.5				

H 'Other' licences in the top 25% by licence numbers and/or revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier	Potential gains from reform (\$ million)	Raised in sub.	'Top 40 priority licence
				Licence numbers (median = 814 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Licence revenue AUD (\$) (median = 35,581 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy score (original median = 0.42 <sup>a</sup> )	Ranking band within original 269 significant licences <sup>b</sup>	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Fire Permit	AGD	NSW Rural Fire Service	6. Environment, plants or animals	19,128	47 - 48	-	180	0.31	220 - 221	0.00	0.00	0.11	0.33	0.40	1.00	0.56	-				
Native Animal Keeper's Licence - Reptile Keeper's Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	20,278	47 - 48	365,064	75 - 76	0.09	268 - 269	0.00	0.00	0.09	0.00	0.20	0.25	0.16	<0.5				

<sup>a</sup> Median is calculated for the sub-sample of 'Significant' licences (269 observations).

<sup>b</sup> This is a notional ranking band to indicate where the licence would rank between if it was incorporated into the original list of 269 significant licences when ranked by number of licences, licence revenue and policy score, eg, Individual Private Accredited Certifiers – building surveying and subdivision would rank (by policy score) between the licences ranked 1 and 2 in Table J.3 in Appendix J.

<sup>c</sup> This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.

**Notes:**

1. The licence types presented in this table are ranked first by policy score, then by licence numbers, then by licence revenue. 'Licence numbers' refers to the greatest of the number of new, renewed or in force reported by the department/agency for each licence type. 'Licence revenue' refers to the greatest of the sum of application, renewal and processing fees; and the total revenue reported by the department/agency for each licence type.

2. The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

H 'Other' licences in the top 25% by licence numbers and/or revenue

Table H.6 Policy score adjustments to ‘other’ 41 licences (where applicable)

Licence type	Department	Agency	Sub-agency	Original policy score	Policy component – duration (RC1)	Revised duration score (RC1)	Revised policy score	Excluded from or included in priority list	Adjustment and/or reasoning	Licence duration
Enclosure permit for roads or watercourses	DTIRIS	Department of Primary Industries	Catchments and Lands	0.71	1.00	0.00	0.54	Remains included	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a variable duration (most likely a shorter duration, although this may be ongoing, as permits are issued with a duration for as long as the road/watercourse is closed) is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Food Safety Supervisor (FSS) notification	DTIRIS	Department of Primary Industries	NSW Food Authority	0.62	1.00	0.00	0.45	Remains included	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Roads permits and approvals	DPC	Barangaroo Delivery Authority		0.62	1.00	0.00	0.45	Remains included	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration is reasonable - under the original scoring, the licence was being penalised for this.	18 months
Roads Occupancy Licence - Development Activities, Non Development Activities and Special Events	Transport for NSW	Department level licence		0.61	1.00	0.00	0.41	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration is reasonable - under the original scoring, the licence was being penalised for this.	1 month
Motor vehicle repairers licence	DFS	NSW Fair Trading		0.60	1.00	0.00	0.35	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Motor dealer (includes dealer, auto dismantler wholesaler, motor vehicle parts reconstructor, car market operator and motor vehicle consultant)	DFS	NSW Fair Trading		0.60	1.00	0.00	0.35	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Travel agent	DFS	NSW Fair Trading		0.60	1.00	0.00	0.35	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Notification of a Food Business	DTIRIS	Department of Primary Industries	NSW Food Authority	0.60	1.00	0.00	0.43	Remains included	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Notification by person engaging in tobacco retailing	NSW Ministry of Health	Department level licence		0.57	1.00	0.00	0.32	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing

Licence type	Department	Agency	Sub-agency	Original policy score	Policy component – duration (RC1)	Revised duration score (RC1)	Revised policy score	Excluded from or included in priority list	Adjustment and/or reasoning	Licence duration
Property Licences - Glebe Island / White Bay	Transport for NSW	Sydney Ports Corporation		0.57	1.00	0.00	0.40	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a longer duration may be reasonable - under the original scoring, the licence was being penalised for this.	15 years
Tradesperson's certificate	DFS	NSW Fair Trading		0.56	1.00	0.00	0.31	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Registration as an employer (building and construction)	DFS	Long Service Corporation		0.54	1.00	0.00	0.34	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Registration as worker (contract cleaning)	DFS	Long Service Corporation		0.54	1.00	0.00	0.34	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Mobility Parking Scheme Permit - Temporary	Transport for NSW	Roads and Maritime Services	Roads	0.50	1.00	0.00	0.33	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration is reasonable - under the original scoring, the licence was being penalised for this.	6 months
Permit to Conduct a Lottery-Trade Promotion - multiple promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing		0.50	1.00	0.00	0.33	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration is reasonable - under the original scoring, the licence was being penalised for this.	1 year
Unregistered Vehicle Permit	Transport for NSW	Roads and Maritime Services	Roads	0.48	1.00	0.00	0.31	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration is reasonable - under the original scoring, the licence was being penalised for this.	1 month
Registration of incorporated association	DFS	NSW Fair Trading		0.48	1.00	0.00	0.31	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Approval as an Examiner to Conduct Vehicle Inspections	Transport for NSW	Roads and Maritime Services	Roads	0.48	1.00	0.00	0.31	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, an ongoing duration is reasonable - under the original scoring, the licence was being penalised for this.	Ongoing
Fire Permit	AGD	NSW Rural Fire Service		0.47	1.00	0.00	0.31	Excluded	The duration score has been revised and adjusted as it was likely to overstate the policy score for this licence. For this particular licence, a shorter duration is reasonable - under the original scoring, the licence was being penalised for this.	3 weeks

H 'Other' licences in the top 25% by licence numbers and/or revenue

Licence type	Department	Agency	Sub-agency	Original policy score	Policy component – duration (RC1)	Revised duration score (RC1)	Revised policy score	Excluded from or included in priority list	Adjustment and/or reasoning	Licence duration
Standpipes - licence to extract water from hydrants	Other	Hunter Water Corporation		0.56	Not applicable	Not applicable	Not applicable	Excluded	This licence has been included in our licence survey as a result of using such a broad definition of a licence. It has been excluded as it is considered out of scope for the purpose of our review – the licence is essentially a hire agreement. In addition, Sydney Water did not include the equivalent licence in their survey response and thus it would be biased to penalise Hunter Water Corporation if not also assessing Sydney Water.	Ongoing
Tenancy Licence	DPC	Office of Environment and Heritage		0.44	Not applicable	Not applicable	Not applicable	Excluded	This licence has been included in our licence survey as a result of using such a broad definition of a licence. It has been excluded as it is considered out of scope for the purpose of our review – the licence is essentially a commercial lease agreement and so is not relevant for our review.	-

**Note:** The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

Table H.7 'Other' 11 priority licences – rationale for reform

Number (when added to original list of priority licences)	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
30	Notification of a Food Business	DTIRIS	Department of Primary Industries	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (CBA, public consultation). Although, a national framework (Food Regulation Agreement) is used to set licence conditions.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– In the questionnaire response, the agency indicates that this licence is currently being reviewed, however the review appears not to be being conducted using best practice methods (CBA) and is limited in scope.</li> </ul> </li> </ul> <p>This licence also has high licence numbers, therefore impact of reform is likely to be significant in terms of the number of licensees affected.</p>	✓
31	Enclosure permit for roads or watercourses	DTIRIS	Department of Primary Industries	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (CBA, public consultation).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not reviewed in last 5 years.</li> <li>– Not regularly adjusted.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator indicated in survey response that compliance activities could be improved.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– No time limits/guaranteed service levels for licence processing.</li> <li>– There may be scope for more online services.</li> <li>– Regulator indicated in survey response that licence administration could be improved.</li> </ul> </li> </ul> <p>This licence also has high licence numbers, therefore impact of reform is likely to be significant in terms of both number of licensees affected.</p>	
32	Voluntary Out of Home Care - placement notification	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (CBA).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting as well as targeted inspections and exceptions reporting: there may be scope to reduce compliance burden.</li> <li>– Regulator indicated in survey response that compliance activities could be improved.</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Administration.</li> </ul> </li> </ul> <p>This licence also has high licence numbers, therefore impact of reform is likely to be significant in terms of both number of licensees affected.</p>	
33	Food Safety Supervisor (FSS) notification	DTIRIS	Department of Primary Industries	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform</p>	✓

Number (when added to original list of priority licences)	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
34	RSA/RCG Course	DTIRIS	NSW Office of Liquor, Gaming and Racing	<p>include:</p> <ul style="list-style-type: none"><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (CBA, public consultation). Although, developed by a NSW Hospitality Sector co-regulatory working group comprising agency and industry representatives.</li></ul></li><li>▼ Review process:<ul style="list-style-type: none"><li>– Although licence has been reviewed in the last 5 years, no CBA was used in conducting the review and the scope of the review was limited to reviewing the need for a licence.</li></ul></li><li>▼ Administration:<ul style="list-style-type: none"><li>– There may be scope for more online services.</li></ul></li></ul> <p>This licence also has high licence numbers, therefore impact of reform is likely to be significant in terms of both number of licensees affected.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (CBA, public consultation).</li><li>– Regulator indicated in survey response that terms and conditions could be improved.</li></ul></li><li>▼ Review process:<ul style="list-style-type: none"><li>– Although licence has been reviewed in the last 5 years, no CBA was used in conducting the review.</li></ul></li><li>▼ Fee setting:<ul style="list-style-type: none"><li>– Not based on cost recovery.</li><li>– Fees set at nominal/arbitrary level, not regularly updated.</li></ul></li><li>▼ Administration:<ul style="list-style-type: none"><li>– No time limits/guaranteed service levels for licence processing</li><li>– There may be scope for more online services (eg, lodging applications/renewals, paying fees, updating details).</li></ul></li><li>▼ Other areas that regulator suggested could be improved:<ul style="list-style-type: none"><li>– Compliance.</li></ul></li></ul> <p>This licence also has high licence numbers, therefore impact of reform is likely to be significant in terms of both number of licensees affected.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Duration:<ul style="list-style-type: none"><li>– Currently 1-year: there may be potential to extend the duration.</li></ul></li><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (CBA, public consultation).</li></ul></li></ul> <p>This licence also has high revenue.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Duration:<ul style="list-style-type: none"><li>– Currently 1-year: there may be potential to extend the duration.</li></ul></li><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (CBA, public consultation).</li></ul></li></ul>	
35	Valuer	DFS	NSW Fair Trading	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Duration:<ul style="list-style-type: none"><li>– Currently 1-year: there may be potential to extend the duration.</li></ul></li><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (CBA, public consultation).</li></ul></li></ul> <p>This licence also has high revenue.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Duration:<ul style="list-style-type: none"><li>– Currently 1-year: there may be potential to extend the duration.</li></ul></li><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (CBA, public consultation).</li></ul></li></ul>	✓
36	Registration as architect (full)	DFS	NSW Architects Registration Board	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Duration:<ul style="list-style-type: none"><li>– Currently 1-year: there may be potential to extend the duration.</li></ul></li><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (CBA, public consultation).</li></ul></li></ul>	✓

Number (when added to original list of priority licences)	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
37	Transfer liquor licence (T)	DTIRIS	NSW Office of Liquor, Gaming and Racing	<p>▼ Review process:</p> <ul style="list-style-type: none"><li>Although licence has been reviewed in the last 5 years, no public consultation was used in conducting the review and the scope of the review was limited.</li></ul> <p>▼ Fee setting:</p> <ul style="list-style-type: none"><li>Fees not regularly updated/adjusted.</li></ul> <p>This licence also has high revenue.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <p>▼ Conditions:</p> <ul style="list-style-type: none"><li>Not set using best practice (CBA, public consultation).</li></ul> <p>▼ Review process:</p> <ul style="list-style-type: none"><li>Although licence has been reviewed in the last 5 years, no CBA was used in conducting the review, which was limited in scope.</li></ul> <p>▼ Fee setting:</p> <ul style="list-style-type: none"><li>Not based on cost recovery.</li><li>Fees set at nominal/arbitrary level, not regularly updated.</li></ul> <p>▼ Administration:</p> <ul style="list-style-type: none"><li>No time limits/guaranteed service levels for licence processing</li><li>There may be scope for more online services (eg, lodging applications/renewals, paying fees, updating details).</li></ul> <p>This licence also has high revenue.</p>	
38	Roads permits and approvals	DPC	Barangaroo Delivery Authority	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <p>▼ Conditions:</p> <ul style="list-style-type: none"><li>Not set using best practice (CBA).</li></ul> <p>▼ Fee setting:</p> <ul style="list-style-type: none"><li>Fees not regularly updated.</li></ul> <p>▼ Compliance:</p> <ul style="list-style-type: none"><li>Regulator indicated in survey response that compliance activities could be improved.</li></ul> <p>▼ Administration:</p> <ul style="list-style-type: none"><li>No time limits/guaranteed service levels for licence processing.</li><li>There may be scope for more online services (eg, lodging renewals, paying fees, updating details).</li><li>Regulator indicated in survey response that licence administration could be improved.</li></ul> <p>This licence also has high revenue.</p>	
39	NABERS Accredited Assessor Agreement	DPC	Office of Environment and Heritage	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <p>▼ Duration:</p> <ul style="list-style-type: none"><li>Currently 1-year: there may be potential to extend the duration.</li><li>Regulator indicated in survey response that duration could be improved.</li></ul> <p>▼ Conditions:</p> <ul style="list-style-type: none"><li>Not set using best practice (CBA, public consultation).</li><li>Regulator indicated in survey response that terms and conditions could be improved.</li></ul> <p>▼ Review process:</p> <ul style="list-style-type: none"><li>Although licence has been reviewed in the last 5 years, no CBA was used in conducting</li></ul>	



Number (when added to original list of priority licences)	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
40	Individual Private Accredited Certifiers - building surveying and subdivision	DPC	Department of Planning and Infrastructure	<p>the review.</p> <ul style="list-style-type: none"><li>▼ Fee setting:<ul style="list-style-type: none"><li>– Fees have not been reviewed for more than 5 years.</li><li>– Fees not regularly updated/adjusted.</li><li>– Regulator indicated in survey response that fees could be improved.</li></ul></li><li>▼ Compliance:<ul style="list-style-type: none"><li>– Regulator indicated in survey response that compliance activities could be improved.</li></ul></li><li>▼ Other areas that regulator suggested could be improved:<ul style="list-style-type: none"><li>– Administration.</li></ul></li></ul> <p>This licence also has high revenue.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Duration:<ul style="list-style-type: none"><li>– Currently 1-year: there may be potential to extend the duration.</li><li>– Regulator indicated in survey response that duration could be improved.</li></ul></li><li>▼ Review process:<ul style="list-style-type: none"><li>– Licence has not been reviewed within the last 5 years.</li></ul></li><li>▼ Fee setting:<ul style="list-style-type: none"><li>– Fees have not been reviewed for more than 10 years.</li><li>– Fees not regularly updated/adjusted.</li><li>– Regulator indicated in survey response that fees could be improved.</li></ul></li><li>▼ Administration:<ul style="list-style-type: none"><li>– No time limits/guaranteed service levels for licence processing.</li><li>– There may be scope for more online services (eg, lodging renewals, paying fees, updating details).</li><li>– Regulator indicated in survey response that licence administration could be improved.</li></ul></li></ul> <p>This licence also has high revenue.</p>	

<sup>a</sup> This licence is administered by the Office of the Children’s Guardian which now is a division of the NSW Department of Family and Community Services.

**Note:** The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## I Initial ‘Top 32’ priority licences list – rationale for reform

Table I.1 details the rationale for reform for the initial ‘Top 32’ priority licences based on the policy score methodology detailed in Chapter 4, section 4.1.

The rationale for reform for the other 11 licences (now also classified as significant) from the current ‘Top 40’ priority licence list are presented separately in Table H.7 in Appendix H.

**Table I.1 Initial 'Top 32' priority licences (for 'significant' NSW Government department/agency licences) – rationale for reform**

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
1	Registration of a Light Vehicle	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently only 1-year: there may be potential to extend this.</li> <li>– Regulator indicated in survey response that licence duration could be improved.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within last 5 years.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections: there may be potential to greater target inspection requirements.</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Terms and conditions.</li> </ul> </li> </ul> <p>This licence also has the highest licence numbers and highest revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	✓
2	Drivers Licence - Car	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently maximum is 5 years: there may be potential to extend to 10 years (as is the case for an Australian passport).</li> <li>– Regulator indicated in survey response that licence could be improved by extending duration.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Regulator indicated that licence conditions are not set using Cost Benefit Analysis (CBA) and that exemptions/ thresholds could be improved.</li> </ul> <p>(Note: A national framework (administration guidelines for the National Driver Licensing Scheme) is used to set some licence conditions.)</p> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Although the regulator's survey response indicated fees are set using a cost-reflective process, the regulator thought fees could be improved (they commented that they should "consider whether current costs actually reflect administrative costs").</li> </ul> <p>(Note: Driver's Licence fees have recently been updated to include a driver discount for licensees with a good compliance record).</p> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– Scope may exist to offer more online services.</li> <li>– Regulator indicated that administration could be improved and there should be greater flexibility to use a stored image for issuing licences.</li> <li>– Regulator commented that online licence renewals and upgrades/downgrades of licences is expected to commence shortly.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	✓

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
3	Registration of Firearms	AGD	NSW Police Force	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (CBA, public consultation). Although, a national framework (National Firearms Agreement) is used to set some licence conditions.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Whilst the licence had not been reviewed within the last 5 years at the time of survey completion, the Minister for Police and Emergency services recently announced (December 2012) a review of the NSW Firearms Regulation.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not set on cost-recovery basis.</li> <li>– Not reviewed within last 10 years and not regularly updated.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– Scope may exist to offer more online services (eg, to allow updating details online).</li> <li>– Regulator commented that licence administration could be improved.</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Compliance.</li> </ul> </li> </ul> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees. Note, that this specific licence is a licence used to regulate 'high-risk' activities with complex policy issues.</p>	✓
4	Drivers Licence - Rider	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 5 years: there may be potential to extend to 10 years (as is the case for an Australian passport).</li> <li>– Regulator indicated in survey response that licence could be improved by extending duration.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within last 5 years.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– Scope exists to offer more online services.</li> <li>– Regulator indicated that online licence renewals and upgrades/downgrades of licences is expected to commence shortly.</li> <li>– Regulator indicated in survey response that licence administration could be improved.</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Exemptions/thresholds.</li> <li>– Fees.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
5	NSW Photo Card	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 5 years: there may be potential to extend to 10 years (as is the case for an Australian passport).</li> <li>– Regulator considers licence duration could be improved.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– There may be scope for more online services (Note: issuing of an online NSW Photo Card is expected to commence shortly).</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Fees.</li> </ul> </li> </ul>	

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
6	Recreational Fishing Fee	DTIRIS	Department of Primary Industries	<p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently maximum 3 years: there may be potential to extend to 5 years.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Fees have not been reviewed within the last 10 years.</li> <li>– Regulator commented that "fees (were) initially determined when introduced in 2001 (and) accumulated CPI adjustments are made every few years when trigger points (are) reached. Funds from the fee go to dedicated trust accounts and are used to improve recreational fishing".</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	✓
7	Registration of a Commercial or Recreational Vessel	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 1-year: there may be potential to extend to this.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not reviewed in last 10 years (although fees are automatically adjusted on a regular basis).</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
8	Registration of a Heavy Vehicle	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 1-year: there may be potential to extend this.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Although the licence was reviewed within last 5 years (by National Transport Commission), it's unclear if the review was comprehensive (no CBA appears to have been conducted and no information was provided about what aspects of the licence the review considered).</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting as well as targeted inspections and exceptions reporting: there may be scope to reduce compliance burden.</li> </ul> </li> </ul> <p>(Note: National Heavy Vehicle Regulator determines some licence terms and conditions.)</p> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
9	Drivers Licence - Heavy Rigid	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 5 years: there may be potential to extend to 10 years (as is the case for an Australian passport).</li> <li>– Regulator indicated in survey response that the licence could be improved by extending duration.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within last 5 years.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– Scope exists to offer more online services.</li> </ul> </li> </ul>	

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
10	Home Building licences	DFS	NSW Fair Trading	<ul style="list-style-type: none"> <li>Regulator indicated in survey response that licence administration could be improved.</li> <li>Regulator commented that online licence renewals and upgrades/downgrades of licences is expected to commence shortly.</li> <li>Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>Exemptions/thresholds.</li> <li>Administration.</li> <li>Fees.</li> </ul> </li> </ul> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees. Note that licence revenue data was not provided in survey response for this licence.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>Duration: <ul style="list-style-type: none"> <li>Currently 3 years: there may be potential to extend to 5 years.</li> </ul> </li> <li>Conditions: <ul style="list-style-type: none"> <li>Regulator not currently using CBA to set conditions.</li> </ul> </li> <li>Review process: <ul style="list-style-type: none"> <li>Licence has not been reviewed within last 5 years (review not completed as at survey date, however regulator did note that all of the licences issued under the <i>Home Building Act 1989</i> are part of the National Occupational Licensing project).</li> <li>Dollar value exemptions/thresholds not regularly updated.</li> </ul> </li> <li>Compliance: <ul style="list-style-type: none"> <li>Regulator imposes periodic reporting requirements: scope may exist to move to exceptions-based reporting.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
11	Working with Children Check	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>Administration: <ul style="list-style-type: none"> <li>Time limits/guaranteed service levels do not exist for licence processing.</li> <li>Scope may exist to offer more online services (eg, to allow updating details online).</li> <li>Regulator indicated in survey response that licence administration could be improved.</li> <li>Regulator commented that: "while the current check does not guarantee a processing timeframe, targets for responding are set - for example 80% in 2 days and 90% in 10 days."</li> </ul> </li> <li>Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>Duration.</li> <li>Exemptions and thresholds.</li> <li>Terms and conditions.</li> <li>Fees.</li> <li>Compliance.</li> </ul> </li> </ul> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees.</p> <p>(Note: The regulator commented that "The current WWCC is a non-renewal licence system. A new licence is required each time a person changes jobs. The new WWCC will start in February 2013 and will apply to both paid employees and volunteers, who will apply for their own check once every 5 years. The checking process will be the same for all workers and volunteers, unlike the current system where 3 different regimes are in place. This new system was endorsed by the NSW Government in 2011 and new legislation passed in June 2012.</p> <p>The system provides more protection for children, is fairer, streamlined, online and faster and involves less regulatory burden for the community. The activities of 4 screening agencies will be amalgamated into one under the Commission resulting in greater consistency in practice and streamlining interactions with the community.")</p>	✓

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
12	Conditional Registration	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 1-year: there may be potential to extend this.</li> <li>– Regulator indicated in survey response that licence duration could be improved.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting and targeted inspections: there may be potential to reduce compliance burden.</li> <li>– Regulator indicated in survey response that licence administration could be improved.</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Exemptions and thresholds.</li> <li>– Terms and conditions.</li> <li>– Administration.</li> <li>– Fees.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
13	Permit to Acquire Firearms (PTA)	AGD	NSW Police Force	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using CBA. (Although some licence conditions are set by National Firearms Agreement.)</li> <li>– Regulator indicated in survey response that licence terms and conditions could be improved.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Whilst the licence had not been reviewed within the last 5 years at the time of survey completion, the Minister for Police and Emergency services recently announced (December 2012) a review of the NSW Firearms Regulation.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Fees not set on cost-recovery basis.</li> <li>– Not reviewed within last 10 years and not regularly updated.</li> <li>– Regulator indicated in survey response that licence fees could be improved.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– Scope may exist to offer more online services (eg, online payment).</li> <li>– Regulator indicated in survey response that licence administration could be improved.</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Compliance.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	✓
14	Bore Water Licence	DTIRIS	Department of Primary Industries	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA, public consultation). (Note: scope to reform terms and conditions may be limited by progressive transition to <i>Water Management Act 2000</i>.)</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years. (Note: licence transition to <i>Water Management Act 2000</i> - these licences will be converted and managed under the <i>Water Management Act 2000</i>. Consideration to improve and change the licence has been implemented through this process.)</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not reviewed in last 10 years.</li> <li>– Not regularly adjusted.</li> </ul> </li> <li>▼ Administration:</li> </ul>	

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
15	Driver Authority - Bus	Transport for NSW	Roads and Maritime Services	<ul style="list-style-type: none"> <li>– There may be scope for more online services (eg, online payment).</li> </ul> <p>This licence also has high licence numbers and moderately high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 3 years: there may be potential to extend to this.</li> <li>– Regulator considers that duration could be improved.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA as well as public consultation).</li> <li>– Regulator considers that licence terms and conditions could be improved (no information provided regarding specific reforms).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not reviewed for at least 5 years.</li> <li>– Not regularly adjusted.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting as well as random and targeted inspections: there may be scope to reduce compliance burden.</li> <li>– Regulator considers that compliance could be improved eg, through greater monitoring of customer complaints.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 3 years: there may be potential to extend to 5 years.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Conditions not set using best practice (CBA, public consultation).</li> <li>– Some conditions are legacy/historical.</li> </ul> <p>(Note: regulator indicated in survey that taxi driver competency standards are set by National Occupational Licensing System, under the National Partnership Agreement for Seamless National Economy).</p> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence review not completed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Fees not set on cost recovery basis (instead nominal/arbitrary basis).</li> <li>– Not regularly adjusted.</li> <li>– Regulator indicated in survey response that licence fees could be improved.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting as well as targeted inspections and exceptions reporting: there may be scope to reduce compliance burden.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
16	Driver Authority - Taxi	Transport for NSW	Roads and Maritime Services	<ul style="list-style-type: none"> <li>– There may be scope for more online services (eg, online payment).</li> </ul> <p>This licence also has high licence numbers and moderately high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 3 years: there may be potential to extend to this.</li> <li>– Regulator considers that duration could be improved.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA as well as public consultation).</li> <li>– Regulator considers that licence terms and conditions could be improved (no information provided regarding specific reforms).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not reviewed for at least 5 years.</li> <li>– Not regularly adjusted.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting as well as random and targeted inspections: there may be scope to reduce compliance burden.</li> <li>– Regulator considers that compliance could be improved eg, through greater monitoring of customer complaints.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 3 years: there may be potential to extend to 5 years.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Conditions not set using best practice (CBA, public consultation).</li> <li>– Some conditions are legacy/historical.</li> </ul> <p>(Note: regulator indicated in survey that taxi driver competency standards are set by National Occupational Licensing System, under the National Partnership Agreement for Seamless National Economy).</p> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence review not completed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Fees not set on cost recovery basis (instead nominal/arbitrary basis).</li> <li>– Not regularly adjusted.</li> <li>– Regulator indicated in survey response that licence fees could be improved.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting as well as targeted inspections and exceptions reporting: there may be scope to reduce compliance burden.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	



Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
17	Heavy Vehicle Permit	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 1-year: there may be potential to extend this.</li> <li>– Regulator indicated in survey that licence duration could be improved.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence not reviewed within the last 5 years.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– No time limits/guaranteed service levels for licence processing.</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Exemptions and thresholds.</li> <li>– Terms and conditions: regulator noted that the dimension and mass allowances could be increased for annual permits to cut red tape.</li> <li>– Compliance.</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
18	Certificate of Registration as a Real estate Salesperson	DFS	NSW Fair Trading	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 1-year: there may be potential to extend this.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA, public consultation).</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– There may be scope to offer more online services (eg, to allow updating details online).</li> </ul> </li> </ul> <p>(Note: Data was not provided for fee setting and compliance – there may also be additional scope for reform in these areas.)</p> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees.</p>	✓
19	Owner Builder Permit	DFS	NSW Fair Trading	<p>The close to median policy score indicates a high scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within last 5 years.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– Scope may exist to offer more online services (eg, to allow updating details, lodging applications, paying fees online).</li> </ul> </li> </ul> <p>(Note: Data was not provided for duration or approach to setting conditions – there may also be additional scope for reform in these areas.)</p> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees.</p>	✓
20	Real Estate Agent	DFS	NSW Fair Trading	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 1-year: there may be potential to extend this.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA, public consultation).</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– There may be scope to offer more online services (eg, to allow updating details online).</li> </ul> </li> </ul> <p>(Note: Data was not provided for fee setting and compliance – there may also be additional scope for reform in these areas.)</p> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will</p>	✓

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
21	Radiation User Licence	DPC	Environment Protection Authority	<p>affect a large number of licensees.</p> <p>The close to median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 3 years: there may be potential to extend to 5 years.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA, public consultation). (Note: National Directory for Radiation Protection (national agreement) sets some licence conditions).</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– No time limits/guaranteed service levels for licence processing,</li> <li>– There may be scope to offer more online services (eg, to allow updating details online, lodging applications).</li> </ul> </li> <li>▼ Other areas that regulator suggested could be improved: <ul style="list-style-type: none"> <li>– Compliance.</li> <li>– Fees. (Note: If proposed reforms are implemented (expected 1 July 2013), fees will be based on cost recovery and risk based compliance.)</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	
22	Permit to Conduct a Lottery - Trade Promotion - single promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA and public consultation).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not regularly adjusted (although fee setting was reviewed in last 2 years).</li> </ul> </li> </ul> <p>This licence also has high licence numbers and high revenue, therefore impact of reform is likely to be significant in terms of both number of licensees affected and potential cost savings.</p>	✓
23	On-Premises Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently ongoing: there may be potential to reduce to 5 years as there is a risk of licence conditions no longer being relevant with ongoing duration.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using CBA or expert analysis.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Although review completed within the last 5 years, it is unclear from survey data the scope of the review.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– No time limits or guaranteed service levels for licence processing.</li> <li>– There may be scope to offer more online services (eg, to allow updating details online).</li> </ul> </li> </ul> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees.</p>	
24	Dangerous Goods Driver Licence	DPC	Environment Protection Authority	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA, public consultation). (Note: National agreement is used to set some conditions (National Transport Commission - Australian Dangerous Goods Code)).</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– No time limits/guaranteed service levels for licence processing</li> <li>– There may be scope for more online services (eg, lodging applications/renewals, paying fees,</li> </ul> </li> </ul>	

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
25	Plant Health Certificates	DTIRIS	Department of Primary Industries	<p>updating details).</p> <ul style="list-style-type: none"> <li>– Regulator indicated in survey response that licence administration could be improved.</li> </ul> <p>▼ Other areas that regulator suggested could be improved:</p> <ul style="list-style-type: none"> <li>– Compliance.</li> <li>– Fees.</li> </ul> <p>(Note: If proposed reforms are implemented (expected 1 July 2013), licence administration will be streamlined, fees based on cost recovery and risk-based compliance).</p> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <p>▼ Conditions:</p> <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA and public consultation). (Note: Licence conditions set by national agreement (Interstate competency agreements)).</li> </ul> <p>▼ Review process:</p> <ul style="list-style-type: none"> <li>– Although licence has been reviewed within the last 5 years, CBA was not used to review the licence and the scope of the review was limited to compliance.</li> </ul> <p>▼ Fee setting:</p> <ul style="list-style-type: none"> <li>– Not reviewed in last 10 years.</li> <li>– Not regularly adjusted.</li> </ul> <p>▼ Administration:</p> <ul style="list-style-type: none"> <li>– There may be scope for more online services.</li> </ul> <p>▼ Other areas that regulator suggested could be improved:</p> <ul style="list-style-type: none"> <li>– Compliance</li> </ul> <p>This licence also has high licence numbers, thus any reform is likely to have a large impact as it will affect a large number of licensees.</p>	
26	Environment Protection Licence	DPC	Environment Protection Authority	<p>The close to median policy score indicates a high scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <p>▼ Duration:</p> <ul style="list-style-type: none"> <li>– Currently ongoing: there may be potential to reduce to 5 years, as there is a risk of licence conditions no longer being relevant with ongoing duration.</li> </ul> <p>▼ Review:</p> <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> <p>▼ Fee setting:</p> <ul style="list-style-type: none"> <li>– Currently set to partially recover the cost of regulating the activity</li> <li>– Regulator indicated in survey response that licence fees could be improved by "moving to full cost recovery".</li> </ul> <p>▼ Compliance:</p> <ul style="list-style-type: none"> <li>– Periodic reporting (although some exceptions reporting) and third party audit reporting requirements indicates this licence type has a relatively more burdensome compliance regime.</li> </ul> <p>▼ Administration:</p> <ul style="list-style-type: none"> <li>– There may be scope for more online services (eg, to allow lodging applications, updating details online).</li> <li>– Regulator indicated in survey response that licence administration could be improved through increased online technology and electronic online transactions.</li> </ul> <p>This licence also has high licence revenue.</p>	✓

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
27	Operator Accreditation - Taxi	Transport for NSW	Roads and Maritime Services	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently 1-year: there may be potential to extend to 5 years.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA, public consultation).</li> <li>– Based on historical/legacy conditions.</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not based on cost recovery.</li> <li>– Fees set at nominal/arbitrary level, not regularly updated.</li> </ul> </li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>– Regulator conducts blanket inspections and periodic reporting as well as targeted inspections: there may be scope to reduce compliance burden.</li> </ul> </li> </ul> <p>This licence also has high licence revenue.</p>	
28	Retail Electricity Supplier's Licence <sup>b</sup>	DPC	IPART	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently ongoing: there may be potential to reduce this as there is a risk of licence conditions no longer being relevant with ongoing duration.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Not set using best practice (ie, CBA and public consultation).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Licence has not been reviewed within the last 5 years. (Note: The regulator states that this because there is a proposed move to a national regime (the Council of Australian Governments has agreed to a national energy reform process, including the National Energy Customer Framework (NECF)) which has been considered imminent for about 5 years, so there has been minimal change to the regime in that time. The adoption of a national regime is considered by the regulator a prime opportunity for reducing regulation costs on small and large companies in NSW - the National regime will ensure that regulation is consistent across states and it will streamline the regulatory process for all suppliers who supply in multiple jurisdictions (which is the vast majority of businesses).)</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>– Not reviewed in last 10 years.</li> <li>– Set at nominal/arbitrary level.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>– There may be scope for more online services.</li> </ul> </li> </ul> <p>This licence also has high licence revenue.</p>	
29	Pharmacy Registration and Renewal	NSW Ministry of Health	Health Professional Councils Authority	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Duration: <ul style="list-style-type: none"> <li>– Currently only 1-year: there may be potential to extend to this.</li> </ul> </li> <li>▼ Conditions: <ul style="list-style-type: none"> <li>– Set by internal review and historical/legacy conditions.</li> <li>– Not set using best practice (ie, CBA and public consultation).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>– Although licence has been reviewed in the last 5 years, no public consultation was used in conducting the review and limited the scope of the review was limited to compliance, administration and fees.</li> </ul> </li> <li>▼ Fee setting:</li> </ul>	

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
30	Natural Gas Retail Suppliers authorisation <sup>b</sup>	DPC	IPART	<ul style="list-style-type: none"> <li>Although fee setting has been reviewed in the last 2 years, the regulator considers that fee setting could be improved.</li> <li>▼ Compliance: <ul style="list-style-type: none"> <li>Regulator conducts blanket inspections as well as targeted inspections: there may be scope to reduce compliance burden.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>There may be scope for more online services and/or a simplified process for renewal for licences with good track record of compliance.</li> <li>Regulator considers that administration could be improved.</li> </ul> </li> </ul> <p>This licence also has high licence revenue.</p> <p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>Historical/legacy conditions.</li> <li>Not set using best practice (ie, CBA and public consultation). (Note: DTIRIS determines licence conditions (not IPART or DPC) - split responsibility for licence).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>Licence has not been reviewed within the last 5 years (proposed move to national regime).</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>Not reviewed in last 10 years.</li> <li>Not regularly adjusted.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>There may be scope for more online services.</li> <li>Regulator commented that administration of the licensing regime should be performed by DTIRIS (as they hold greater expertise) and that IPART acting as a 'middle man' adds minimal value to the process.</li> </ul> </li> </ul> <p>This licence also has high licence revenue.</p>	
31	Natural Gas Reticulator's Authorisation	DPC	IPART	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"> <li>▼ Conditions: <ul style="list-style-type: none"> <li>Historical/legacy conditions.</li> <li>Not set using best practice (ie, CBA and public consultation). (Note: DTIRIS determines licence conditions (not IPART or DPC) - split responsibility for licence).</li> </ul> </li> <li>▼ Review process: <ul style="list-style-type: none"> <li>Licence has not been reviewed within the last 5 years.</li> </ul> </li> <li>▼ Fee setting: <ul style="list-style-type: none"> <li>Not reviewed in last 10 years.</li> <li>Set at nominal/arbitrary level.</li> <li>Not regularly adjusted.</li> </ul> </li> <li>▼ Administration: <ul style="list-style-type: none"> <li>Regulator commented that administration of the licensing regime should be performed by DTIRIS (as they hold greater expertise) and that IPART acting as a 'middle man' adds minimal value to the process.</li> </ul> </li> </ul> <p>This licence also has high licence revenue.</p>	

Number	Licence type	Department	Agency	Summary of areas that could be improved or reformed (based on policy score analysis)	Also raised in submissions received by IPART
32	Occupiers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	<p>The above median policy score indicates a greater scope to reform this licence. The potential reform areas that most strongly contribute to this high policy score and scope for reform include:</p> <ul style="list-style-type: none"><li>▼ Duration:<ul style="list-style-type: none"><li>– Currently only 4 months (which may be extended but to no longer than 12months): there may be potential to this extend further.</li></ul></li><li>▼ Conditions:<ul style="list-style-type: none"><li>– Not set using best practice (ie, CBA and public consultation). (Note: Licence conditions set by national agreement: NSW Commercial Kangaroo Harvest Management Plan, approved by Australian Government and National Code of Practice for the Humane Shooting of Kangaroos and Wallabies for Commercial Purposes).</li></ul></li><li>▼ Review process:<ul style="list-style-type: none"><li>– Licence has not been reviewed within the last 5 years.</li><li>– Regulator commented that the issuing of licences on very small properties needs to be reviewed.</li></ul></li><li>▼ Administration:<ul style="list-style-type: none"><li>– There may be scope for more online services.</li></ul></li><li>▼ Compliance:<ul style="list-style-type: none"><li>– Periodic and exceptions reporting required by licensees: there may be scope to reduce compliance burden.</li></ul></li></ul> <p>This licence also has high licence revenue.</p>	

**a** This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.

**b** Since July 1 2013, responsibility for this licence has been transferred to the Federal regulator – the Australian Energy Regulator.

**Note:** The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Table J.1 Initial 269 'significant' licences – ranked by licence numbers

Table J.2 Initial 269 'significant' licences – ranked by licence revenue

Table J.3 Initial 269 'significant' licences – ranked by policy score

Our estimates indicate that improvements to the design and administration of the:

- ▼ Initial 269 significant licences could save at least \$337 million per year across the NSW economy.
- ▼ 'Top 40' licences could save at least \$212 million per year across the NSW economy.
- ▼ Initial 'Top 32' licences could save at least \$211 million per year across the NSW economy.
- ▼ 'Top 10' licences could save at least \$193 million per year across the NSW economy.

It should be noted that our:

- ▼ policy scoring methodology allowed only a high-level assessment for prioritising licences for reform
- ▼ licence survey was undertaken at a particular point in time (late 2012) – we collected data for the period 1 July 2011 to 30 June 2012 and our analysis is based on that data, so any changes to licences and/or the regulatory environment since this time will not be reflected in the survey data or analysis.

Section 4.1.2 further discusses the limitations of our policy scoring approach.

Table J.1 Initial 269 ‘significant’ licences – ranked by licence numbers

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)				
Registration of a Light Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	5,555,737	1	1,814,269,240	1	0.46	109	1.00	0.25	0.44	0.11	0.60	0.33	0.46	>100	✓	✓	
Drivers Licence - Car	Transport for NSW	Roads and Maritime Services	14. Private transport	4,432,276	2	106,662,630	4	0.52	75	1.00	0.50	0.56	0.00	0.20	0.88	0.52	50 - 100	✓	✓	
Registration of companion animal	DPC	Division of Local Government	6. Environment, plants or animals	2,288,849	3	6,118,005	14	0.39	149	0.00	0.00	0.25	0.78		0.94	0.72	2.5 - 5			
Construction Induction Card	DFS	WorkCover NSW	15. Residential or commercial works	1,034,174	4	1,829,296	30	0.21	259	0.00	0.00	0.41	0.33	0.20	0.29	0.35	0.5 - 2.5			
Registration of Firearms	AGD	NSW Police Force	7. Firearms/weapons	771,636	5	-	180	0.55	64	0.00	0.75	0.44	0.78	0.40	0.92	0.55	-	✓	✓	
Drivers Licence - Rider	Transport for NSW	Roads and Maritime Services	14. Private transport	525,002	6	-	180	0.52	75	1.00	0.50	0.56	0.00	0.20	0.88	0.52	-		✓	
Boat driving licence	Transport for NSW	Roads and Maritime Services	14. Private transport	486,805	7	2,563,855	24	0.12	265	0.00	0.00	0.15	0.00	0.00	0.58	0.12	<0.5			
Mobility Parking Scheme Permit - Individual	Transport for NSW	Roads and Maritime Services	14. Private transport	315,027	8	924,727	49	0.42	131	0.50	0.50	0.28	0.22	0.00	1.00	0.42	<0.5			
NSW Photo ID Card	Transport for NSW	Roads and Maritime Services	14. Private transport	304,080	9	3,088,827	21	0.51	80	1.00		0.56	0.00	0.00	1.00	0.51	0.5 - 2.5		✓	
Licence for high risk work	DFS	WorkCover NSW	15. Residential or commercial works	303,123	10	5,545,745	16	0.21	258	0.00	0.00	0.26	0.33	0.20	0.46	0.35	0.5 - 2.5			
Registration as a worker (building and construction)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	297,246	11	-	180	0.38	159	0.00	0.50	0.33	0.67	0.20	0.56	0.89	-			
Learners permit	Transport for NSW	Roads and Maritime Services	14. Private transport	283,174	12	5,257,272	17	0.36	165	0.00	0.50	0.56	0.00	0.20	0.92	0.36	0.5 - 2.5	✓		
Recreational Fishing Fee	DTIRIS	Department of Primary Industries	3. Culture or recreation	267,518	13	13,400,000	8	0.48	97	0.50	0.00	0.67	0.78	0.20	0.75	0.71	5 - 10	✓	✓	
P2 provisional drivers licence	Transport for NSW	Roads and Maritime Services	14. Private transport	264,954	14	7,036,040	12	0.36	168	0.00	0.50	0.56	0.00	0.20	0.88	0.36	0.5 - 2.5			
Applications for the issue of Certificates and other services	AGD	Registry of Births, Deaths and Marriages	13. Other	260,956	15	12,003,976	10	0.19	261	0.00	0.00	0.33	0.11		0.50	0.19	0.5 - 2.5			

J Initial 269 ‘significant’ licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
in regard to Births registered in NSW																					
Registration of a Commercial or Recreational Vessel	Transport for NSW	Roads and Maritime Services	14. Private transport	226,634	16	24,730,938	6	0.47	107	1.00	0.00	0.33	0.33		0.67	0.47	10 - 25		✓		
Registration of a Heavy Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	215,470	17	264,198,492	3	0.43	122	1.00	0.00	0.35	0.11		0.80	0.33	0.43	2.5 - 5	✓		
Drivers Licence - Heavy Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	202,892	18	-	180	0.50	85	1.00	0.50	0.56	0.00		0.20	0.75	0.50	-	✓		
Firearms Licence (either for Sport/Target Shooting, Rec hunting/Vermin Control, Primary production, vertebrate Pest Animal Control, Business or Employment, Rural Occupation, Animal Welfare, Firearms Collection)	AGD	NSW Police Force	7. Firearms/weapons	194,347	19	5,880,220	15	0.39	151	0.00	0.50	0.41	0.67		0.40	0.38	0.39	0.5 - 2.5	✓		
Home Building licences	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	179,918	20	32,043,599	5	0.46	110	0.50	0.50	0.67	0.33		0.40	0.33	1.08	25 - 50	✓		
P1 provisional Drivers licence	Transport for NSW	Roads and Maritime Services	14. Private transport	145,046	21	5,112,888	18	0.36	168	0.00	0.50	0.56	0.00		0.20	0.88	0.36	0.5 - 2.5			
Registration of Births in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	96,856	22	-	180	0.30	224	0.00	0.00	0.44	0.33		0.00	1.00	0.30	-			
Applications for the issue of Certificates and other services (excluding the conduct of marriage ceremonies) in regard to Marriages registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	95,614	23	4,398,244	19	0.12	265	0.00	0.00	0.00	0.11			0.50	0.12	0.5 - 2.5			
RSA/RCG Competency Card	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	91,873	24	6,431,110	13	0.23	245	0.00	0.25	0.13	0.33		0.20	0.50	0.30	0.5 - 2.5			
Application to Minister for	AGD	Department level licence	13. Other	87,409	25	-	180	0.43	121	0.00	1.00	0.19	1.00		0.00	0.42	0.43	-			

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3										Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.								
admission as JP																							
Working with Children Check (Commission for Children and Young People Checking Agency only)	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	1. Ageing, disability or children	85,479	26	-	180	0.51	78	1.00	0.00	0.43	0.50	0.20	0.96	0.63	-	✓	✓				
Conditional Registration	Transport for NSW	Roads and Maritime Services	14. Private transport	77,172	27	2,173,234	29	0.44	118	1.00	0.00	0.40	0.00	0.80	0.46	0.44	0.5 - 2.5		✓				
Applications for the issue of Certificates and other services in regard to Deaths registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	64,339	28	2,959,594	22	0.22	251	0.00	0.00	0.50	0.11		0.50	0.22	0.5 - 2.5						
Permit to Acquire Firearms (PTA)	AGD	NSW Police Force	7. Firearms/weapons	62,789	29	1,437,840	38	0.55	65	1.00	0.50	0.56	0.78	0.20	0.25	0.55	0.5 - 2.5	✓	✓				
Applications for the issue of Certificates in regard to Family History	AGD	Registry of Births, Deaths and Marriages	13. Other	61,250	30	1,715,000	32	0.22	251	0.00	0.00	0.50	0.11		0.50	0.22	<0.5						
Registration of a Plant Item	DFS	WorkCover NSW	15. Residential or commercial works	57,917	31	1,110,512	45	0.32	191	0.00	0.00	0.31	0.78	0.40	0.46	0.55	0.5 - 2.5						
Approval of professional standards indemnity limitation schemes	AGD	Department level licence	13. Other	52,953	32	2,334,760	25	0.32	196	0.00	0.00	0.23	0.56	0.60	0.54	0.32	0.5 - 2.5						
Towing authorisation	Transport for NSW	Roads and Maritime Services	14. Private transport	52,170	33	1,147,763	44	0.24	244	0.00	0.00	0.03	0.22	0.20	0.96	0.24	<0.5						
Registration of Deaths in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	49,721	34	-	180	0.22	251	0.00	0.00	0.44		0.00	0.67	0.22	-						
Registration of Marriages in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	42,041	35	-	180	0.22	251	0.00	0.00	0.44		0.00	0.67	0.22	-						
Accreditation as a New Scheme Teacher	Education and Communities	NSW Institute of Teachers	12. Occupational (eg required to practice in professional occupation)	41,462	36	4,238,622	20	0.28	234	0.00	0.00	0.67	0.33	0.40	0.29	0.67	2.5 - 5						
Food Safety Certificates	DTIRIS	Department of Primary Industries	8. Food	40,695	37	830,647	53	0.23	246	0.00	0.00	0.03	0.33	0.20	0.83	0.35	<0.5	✓					

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
BASIX Certificate	DPC	Department of Planning and Infrastructure	15. Residential or commercial works	35,557	38	2,303,005	26	0.12	268	0.00	0.00	0.20	0.33	0.00	0.17	0.20	<0.5		
Water Access Licences	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	33,477	39	27,241	141	0.31	219	0.00	0.25	0.33	0.11	0.40	0.75	0.54	<0.5		
Bore licences Water Act 1912 only <sup>b</sup>	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	32,630	40	312,933	80	0.62	23	0.00	1.00	0.67	0.67	0.40	0.96	1.08	<0.5		✓
Security Industry - Class 1 Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	31,829	41	-	180	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	-	✓	
Driver Authority - Bus	Transport for NSW	Roads and Maritime Services	17. Public transport	28,218	42	717,150	56	0.56	58	0.50	0.50	0.44	0.56	1.00	0.33	0.96	0.5 - 2.5		✓
Driver Authority - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	24,053	43	1,033,820	47	0.63	19	0.50	0.75	0.39	0.83	1.00	0.33	1.09	0.5 - 2.5		✓
Heavy Vehicle Permit	Transport for NSW	Roads and Maritime Services	14. Private transport	22,457	44	1,616,904	34	0.43	124	1.00	0.00	0.56	0.22	0.00	0.79	0.43	0.5 - 2.5		✓
Transported Stock Statement	DTIRIS	Department of Primary Industries	13. Other	21,167	45	15,735	148	0.30	224	0.00	0.50	0.00	0.67	0.00	0.61	0.30	<0.5		
Water Management Approvals (Combined Water Supply Works & Use Approval)	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	20,981	46	75,643	117	0.32	213	0.50	0.00	0.16	0.00	0.40	0.83	0.55	<0.5		
Applications for the issue of Certificates in regard to Changes of Name registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	20,890	47	919,160	50	0.29	228	0.00	0.00	0.50	0.11		0.83	0.29	<0.5		
Certificate of Registration as a Real estate Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	18,985	48	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	✓
Owner Builder Permit	DFS	NSW Fair Trading	15. Residential or commercial works	17,569	49	-	180	0.41	141			0.50	0.33	0.20	0.61	0.70	-	✓	✓
Real Estate Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	17,446	50	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	✓

<sup>a</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Private mooring licence	Transport for NSW	Roads and Maritime Services	3. Culture or recreation	17,328	51	1,819,057	31	0.28	236	0.00	0.00	0.33	0.44	0.40	0.50	0.41	0.5 - 2.5		
Trade waste commercial permits	Other	Sydney Water Corporation	5. Electricity, gas or water	17,323	52	1,661,801	33	0.36	163	1.00	0.00	0.13	0.00	0.60	0.46	0.64	0.5 - 2.5		
Child-related employment certificate	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	1. Ageing, disability or children	16,786	53	151,396	101	0.37	161	0.50	0.00	0.23	0.33	0.20	0.96	0.45	<0.5		
Registration of approved Changes of Name of persons resident in, or deemed to be residents of, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	16,711	54	2,573,494	23	0.21	256	0.00	0.00	0.50	0.11	0.00	0.67	0.21	0.5 - 2.5		
Restricted Game Hunting Licence (R-Licence)	DTIRIS	Department of Primary Industries	3. Culture or recreation	14,850	55	973,140	48	0.07	269	0.00	0.00	0.05	0.11	0.20	0.08	0.11	<0.5		
Radiation User Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	13,101	56	1,089,667	46	0.42	128	0.50	0.75	0.21	0.00	0.20	0.88	0.77	0.5 - 2.5		✓
Certificate of Maritime Competency	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	12,588	57	56,219	124	0.22	255	0.00	0.00	0.08	0.22	0.20	0.83	0.53	<0.5		
Permit to Conduct a Lottery-Trade Promotion - single promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	11,942	58	895,650	51	0.46	108	0.00	1.00	0.50	0.33	0.20	0.75	0.59	0.5 - 2.5	✓	✓
Approval of Gaming Equipment	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	10,000	59	1,446,578	37	0.35	178	0.00	0.25	0.50	0.56	0.20	0.58	0.44	0.5 - 2.5		
Authority to Prescribe a Drug of Addiction	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	9,680	60	-	180	0.32	193	0.00	0.00	0.12	0.67	0.20	0.96	0.38	-	✓	
Radiation Registration	DPC	Environment Protection Authority	6. Environment, plants or animals	9,014	61	303,485	82	0.34	184	0.00	0.75	0.13	0.00	0.20	0.96	0.61	<0.5		
Certificates of Competence	DTIRIS	Division of Resources and Energy	11. Mining	9,011	62	128,760	103	0.27	237	0.00	0.00	0.49	0.33	0.20	0.58	0.42	<0.5	✓	
Section 15B Certificate	DTIRIS	Department of Primary Industries	13. Other	8,556	63	684,480	58	0.31	214	0.00		0.20	0.56		0.50	0.31	<0.5		
On-Premises Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,020	64	245,000	87	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5		✓

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Dangerous Goods Driver Licence	DPC	Environment Protection Authority	4. Dangerous goods	7,849	65	100,605	109	0.49	86	0.00	0.75	0.39	0.67	0.20	0.96	0.88	<0.5		✓
Plant Health Certificates	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	7,755	66	218,577	91	0.48	98	0.00	0.75	0.51	0.67	0.00	0.96	0.87	<0.5		✓
Licence for a food transport business for dairy, meat, plant products, seafood, eggs & egg related products & game meat	DTIRIS	Department of Primary Industries	8. Food	7,590	67	2,251,312	27	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	0.5 - 2.5	✓	
Security Industry - Class 2 Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	7,171	68	-	180	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	-	✓	
Vehicle Licence - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	7,017	69	12,753,749	9	0.32	212	0.00	0.50	0.26	0.22	0.60	0.33	0.55	5 - 10		
Supervisor certificate	Education and Communities	Office of Education	1. Ageing, disability or children	5,984	70	176,160	100	0.33	186	1.00	0.50	0.03	0.11	0.20	0.17	0.41	<0.5		
Accreditation as an Authorised Identifier	DPC	Division of Local Government	13. Other	5,782	71	-	180	0.58	46		0.50	0.33			0.92	0.58	-		
Corporation Licence	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	5,772	72	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Certificate of Registration as a Registered Manager	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	5,479	73	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Operator Accreditation - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	5,242	74	2,193,900	28	0.67	7	1.00	1.00	0.33	0.83	0.80	0.06	1.15	2.5 - 5		✓
Applications for the issue of Certificates in regard to Single Status	AGD	Registry of Births, Deaths and Marriages	13. Other	5,157	75	226,908	90	0.26	240	0.00	0.00	0.50	0.11		0.67	0.26	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Security Industry - Provisional Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	5,049	76	-	180	0.39	153	1.00	0.00	0.05	0.33	0.00	0.96	0.93	-	✓			
Applications for the issue of Certificates in regard to Relationships	AGD	Registry of Births, Deaths and Marriages	13. Other	4,871	77	214,324	92	0.12	265	0.00	0.00	0.00	0.11		0.50	0.12	<0.5				
Conduct of Civil Marriage Ceremonies	AGD	Registry of Births, Deaths and Marriages	13. Other	4,519	78	1,522,903	35	0.29	228	0.00	0.00	0.50	0.11		0.83	0.29	<0.5				
Approval to undertake authorised work	DTIRIS	Department of Primary Industries	11. Mining	4,504	79	-	180	0.63	20			0.25			1.00	0.97	-				
Occupiers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	6. Environment, plants or animals	4,336	80	496,600	66	0.61	24	1.00	0.75	0.67	0.11	0.20	0.94	1.11	0.5 - 2.5	✓			
Mineral Claim	DTIRIS	Division of Resources and Energy	11. Mining	4,024	81	-	180	0.34	181	0.00	0.00	0.13	0.67	0.40	0.88	0.53	-				
Security Industry - Master Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	4,011	82	880,100	52	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	<0.5	✓			
Driving Instructors Licence	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	3,965	83	136,206	102	0.42	126	0.00	0.50	0.33	0.56	0.20	0.96	1.01	<0.5				
Certificate of Registration as a Stock and Station Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,616	84	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓			
Authority to Keep, Use and Operate Gaming Machines (Hotels and Clubs)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	3,518	85	-	180	0.56	59	1.00	0.00	0.33	1.00	0.00	1.00	0.71	-				
Certificate of Registration as a Business Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,476	86	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓			

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Approval for an education and childcare service - service approval - centre based care	Education and Communities	Office of Education	1. Ageing, disability or children	3,401	87	118,800	105	0.37	162	1.00	0.50	0.03	0.11	0.40	0.17	0.45	<0.5		
General Game Hunting Licence (G-Licence)	DTIRIS	Department of Primary Industries	3. Culture or recreation	3,355	88	200,940	95	0.15	263	0.00	0.00	0.20	0.11	0.20	0.38	0.22	<0.5		
Tow Truck Drivers Certificate	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	3,025	89	503,804	65	0.31	217	0.50	0.00	0.14	0.56	0.20	0.46	0.73	<0.5		
Development Assessment applications & related report and design review services	Other	Hunter Water Corporation	5. Electricity, gas or water	3,000	90	1,400,000	39	0.28	233	1.00	0.00	0.13	0.11	0.00	0.46	0.50	0.5 - 2.5		
Registration for home schooling	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	2,936	91	-	180	0.35	177	0.50	0.50	0.28		0.00	0.46	0.42	-		
Commercial Agent and Private Inquiry Agent - Operator Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	2,905	92	-	180	0.31	218	0.00	0.00	0.13	0.56	0.20	0.96	0.73	-	✓	
Stock and Station Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	2,796	93	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Provider Approval	Education and Communities	Office of Education	1. Ageing, disability or children	2,767	94	12,800	152	0.42	130	1.00	0.50	0.06	0.11	0.40	0.44	0.51	<0.5		
Registration as a Veterinary Practitioner	Other	Veterinary Practitioners Board of New South Wales	12. Occupational (eg required to practice in professional occupation)	2,693	95	697,028	57	0.39	153	0.00	0.25	0.28	0.33	0.60	0.88	0.93	0.5 - 2.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Special Employee's Licence	DTIRIS	Independent Liquor and Gaming Authority	10. Liquor, gaming or racing	2,605	96	460,850	69	0.51	77	0.00	1.00	0.33	0.56	0.20	1.00	0.66	<0.5		
Registration of Relationships of persons resident in, or deemed to be residents of, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	2,504	97	483,272	67	0.13	264	0.00	0.00	0.00	0.11	0.00	0.67	0.13	<0.5		
Surface water licence	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	2,416	98	389,229	73	0.48	103	0.00	0.00	0.83	0.67	0.40	0.96	0.84	<0.5		
Survey of a Commercial Vessel	Transport for NSW	Roads and Maritime Services	17. Public transport	2,397	99	1,352,954	41	0.32	193	0.50	0.00	0.18	0.22	0.60	0.44	0.56	0.5 - 2.5		
Business Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	2,395	100	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Aquaculture Lease	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	2,361	101	94,581	112	0.56	57	1.00	0.00	0.61	0.22	0.80	0.71	1.01	<0.5		
Environment Protection Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	2,352	102	16,700,000	7	0.41	142	1.00	0.00	0.44	0.17	0.60	0.25	0.74	10 - 25	✓	✓
Water Use Approvals	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	2,309	103	5,018	166	0.40	146	0.50	0.25	0.23	0.44	0.20	0.79	0.71	<0.5		
Packaged Liquor Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,127	104	189,000	99	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5		
Hotel Licence (Liquor) - Full hotel	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,097	105	6,000	163	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5	✓	
Operator Accreditation - Bus	Transport for NSW	Roads and Maritime Services	17. Public transport	2,064	106	366,928	75	0.45	116	0.50	0.00	0.33	0.56	1.00	0.29	0.77	<0.5		
Certificate of Admission as a Lawyer	AGD	Legal Profession Admission Board	12. Occupational (eg required to practice in professional occupation)	1,977	107	786,820	55	0.37	160	0.00	0.75	0.23	0.33	0.00	0.92	0.88	0.5 - 2.5		
Commercial Fishing Boat Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,964	108	345,459	78	0.54	67	1.00	0.25	0.32	0.44	0.20	1.00	0.97	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Producer/Wholesale Liquor Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,941	109	56,500	123	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5		
Retail Meat Premises	DTIRIS	Department of Primary Industries	8. Food	1,841	110	820,398	54	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Pharmacy Registration and Renewal	NSW Ministry of Health	Health Professional Councils Authority	9. Health or pharmaceutical	1,805	111	552,500	62	0.68	5	1.00	1.00	0.24	0.33	0.60	0.88	0.79	<0.5		✓
Authorisation of plantation or proposed plantation	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,626	112	33,218	136	0.16	262	0.00	0.00	0.10	0.00	0.20	0.67	0.29	<0.5		
Strata Managing Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	1,533	113	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Limited licence - single function	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,530	114	61,200	120	0.32	192	0.00	0.50	0.25	0.44	0.00	0.75	0.41	<0.5		
Asbestos and Demolition licence	DFS	WorkCover NSW	15. Residential or commercial works	1,516	115	-	180	0.26	238	0.00	0.00	0.26	0.67	0.20	0.46	0.45	-		
Accreditation to provide contestable services	DTIRIS	Division of Resources and Energy	5. Electricity, gas or water	1,473	116	646,000	60	0.28	235	1.00	0.00	0.23	0.00	0.20	0.25	0.49	<0.5		
Authorisation of Level 1 and Level 2 Accredited Service providers to carry out contestable work on or near the distribution network.	DTIRIS	Ausgrid	5. Electricity, gas or water	1,465	117	233,935	88	0.69	2	1.00	0.50	0.44	0.67	0.60	0.92	1.21	<0.5	✓	
Operators Licence (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,463	118	200,864	96	0.40	145	0.00	0.50	0.39	0.33	0.20	1.00	0.73	<0.5		
Club Licence (Liquor)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,421	119	-	180	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	-	✓	
Vehicle Licence - Private Hire Vehicle (hire car)	Transport for NSW	Roads and Maritime Services	17. Public transport	1,367	120	8,299,003	11	0.42	129	0.00	0.50	0.78	0.67	0.20	0.38	0.72	5 - 10		
Registration of Item of Plant licence	DTIRIS	Division of Resources and Energy	11. Mining	1,285	121	-	180	0.52	74	1.00	0.00	0.33	0.44	0.40	0.96	0.81	-		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Commercial Fishing Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,274	122	358,715	77	0.58	45	1.00	0.25	0.41	0.44	0.40	1.00	1.06	<0.5		
Licence to Establish or Maintain an Apiary on a Reserve	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,263	123	82,364	113	0.60	29	1.00	0.25	0.50	0.67	0.20	1.00	1.09	<0.5		
Club or Commercial Mooring Licence	Transport for NSW	Roads and Maritime Services	17. Public transport	1,241	124	1,167,075	43	0.35	178	1.00	0.00	0.06	0.33	0.20	0.50	0.60	0.5 - 2.5		
Commercial Agent and Private Inquiry Agent - Master Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	1,233	125	-	180	0.31	215	0.00	0.00	0.17	0.56	0.20	0.96	0.74	-	✓	
Accreditation of training facilities	NSW Ministry of Health	Health Education Training Institute NSW	9. Health or pharmaceutical	1,230	126	-	180	0.35	172	0.50	0.00	0.56	0.11	0.00	0.96	0.41	-		
Exploration Licences (minerals other than coal)	DTIRIS	Division of Resources and Energy	11. Mining	1,221	127	-	180	0.34	185	0.00	0.00	0.13	0.67	0.40	0.83	0.52	-		
Vulnerable Persons Food Business Licence	DTIRIS	Department of Primary Industries	8. Food	1,216	128	406,285	70	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Radiation Sell/Possess Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	968	129	69,676	118	0.41	135	0.50	0.75	0.16	0.00	0.20	0.88	0.75	<0.5		
Land surveyor	DFS	Board of Surveying and Spatial Information	12. Occupational (eg required to practice in professional occupation)	963	130	402,658	71	0.45	113	1.00	0.50	0.00	0.33	0.20	0.67	1.07	<0.5		
Registration of non-government schools	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	925	131	-	180	0.39	155	0.00	0.50	0.29		0.80	0.33	0.47	-		
Appointment as a public notary	AGD	Legal Profession Admission Board	12. Occupational (eg required to practice in professional occupation)	874	132	26,400	144	0.57	53	1.00	1.00	0.13	0.33	0.00	0.96	1.35	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Seafood Licence (Non-Shellfish Harvesters) Includes seafood processors and handling of live caught seafood.	DTIRIS	Department of Primary Industries	8. Food	872	133	296,537	83	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Paint-ball Gun Permit	AGD	NSW Police Force	7. Firearms/weapons	820	134	-	180	0.49	87	0.00	0.50	0.61	0.78	0.20	0.88	0.49	-	✓	
Aquatic Event Licence	Transport for NSW	Roads and Maritime Services	3. Culture or recreation	814	135	35,917	133	0.36	164	1.00	0.00	0.18	0.33	0.00	0.67	0.54	<0.5		
Employee authority for a Firearms Dealer	AGD	NSW Police Force	7. Firearms/weapons	807	136	-	180	0.45	111	0.00	0.50	0.33	0.78	0.20	0.92	0.45	-	✓	
Dairy Farmer - Cows milk production	DTIRIS	Department of Primary Industries	8. Food	779	137	313,581	79	0.35	170	1.00	0.00	0.08	0.11	0.60	0.33	0.53	<0.5	✓	
Trade waste industrial consents	Other	Sydney Water Corporation	5. Electricity, gas or water	735	138	1,237,447	42	0.20	260	0.00	0.00	0.13	0.00	0.60	0.46	0.35	<0.5		
Authority to prescribe drug of addiction Clause 84(2)	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	706	139	-	180	0.26	239	0.00	0.00	0.15		0.20	0.96	0.31	-		
Firearm Dealer/ Club Armourer Licence	AGD	NSW Police Force	7. Firearms/weapons	607	140	31,400	138	0.51	79	0.00	0.50	0.48	0.78	0.40	0.92	0.51	<0.5	✓	
Aquaculture permit	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	555	141	12,372	154	0.60	31	1.00	0.00	0.67	0.22	0.80	0.92	1.09	<0.5		
Licence to Supply by Wholesale Poisons, Restricted Substances or Drugs for Therapeutic Use	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	543	142	254,835	86	0.33	190	0.00	0.50	0.12	0.33	0.00	1.00	0.38	<0.5		
Licence for Cold Food storage Multi (Licence for a food business to store dairy, meat, plant products, seafood, eggs & egg related products)	DTIRIS	Department of Primary Industries	8. Food	527	143	271,128	84	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Special Purpose Permit (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	466	144	26,724	143	0.53	70	1.00	0.25	0.39	0.33	0.20	1.00	0.96	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Certificate of Local Knowledge	Transport for NSW	Sydney Ports Corporation	14. Private transport	464	145	7,200	160	0.39	150	0.00	1.00	0.28	0.11	0.00	0.96	0.39	<0.5		
Kangaroo Harvesters Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	443	146	374,700	74	0.61	26	1.00	0.25	0.50	0.11	0.80	1.00	1.11	<0.5		
Dangerous Goods Bulk Vehicle Licence	DPC	Environment Protection Authority	4. Dangerous goods	435	147	39,411	131	0.65	15	1.00	0.75	0.39	0.67	0.20	0.88	1.15	<0.5		
Entertainment Industry Representative's Licence <sup>c</sup>	NSW Treasury	NSW Industrial Relations	12. Occupational (eg required to practice in professional occupation)	431	148	100,200	110	0.53	72	1.00	0.50	0.03	0.67	0.00	0.96	1.25	<0.5	✓	
Accreditation of non-government schools for the Record of School Achievement and Higher School Certificate	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	396	149	-	180	0.35	173	0.00	0.50	0.29		0.60	0.38	0.43	-		
Meat Processing Plant Licence	DTIRIS	Department of Primary Industries	8. Food	346	150	229,852	89	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Approval of a Shooting Range	AGD	NSW Police Force	7. Firearms/weapons	340	151	13,400	151	0.41	144	0.00	0.00	0.56	0.78	0.20	0.92	0.41	<0.5	✓	
Approval of participate in needle exchange program	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	339	152	-	180	0.64	17	1.00	1.00	0.23	0.11	0.60	0.89	0.75	-		
Apiary Occupation Permit (Bee Keeping Permit)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	332	153	209,783	94	0.31	221	0.00	0.25	0.39	0.00	0.20	1.00	0.56	<0.5		
Licence to Practice - Signal Electrician	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	331	154	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		
Water Access Licence: Driller's Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	320	155	80,757	115	0.49	88	0.50	0.50	0.61	0.89	0.00	0.46	0.89	<0.5		
Firearms permit (includes for Museum, Heirloom, High Calibre Pistol, Pistol Permit, Purchase a Non-Prohibited Firearm on Leaving Australia, Security Firm Employee,	AGD	NSW Police Force	7. Firearms/weapons	297	156	361,500	76	0.53	68	0.00	1.00	0.56	0.78	0.00	0.88	0.53	<0.5	✓	

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Silencer - Firearm with silencer, Starting Pistol and Storage of Firearms in NSW)																			
Fisheries Section 37 permit	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	296	157	15,929	147	0.23	247	0.00	0.00	0.05	0.22	0.20	0.92	0.42	<0.5		
Authorised Health Professional	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	295	158	-	180	0.29	227	0.00	0.25	0.20		0.00	1.00	0.50	-		
Seafood Licence (Shellfish Harvester)	DTIRIS	Department of Primary Industries	8. Food	282	159	464,380	68	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Child Employment - Employers Authority	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	1. Ageing, disability or children	263	160	210,342	93	0.51	84	1.00	0.50	0.15	0.78	0.00	0.61	0.62	<0.5	✓	
Hire and Drive Licence	Transport for NSW	Roads and Maritime Services	14. Private transport	247	161	-	180	0.39	152	1.00	0.00	0.00	0.33	0.40	0.61	0.39	-		
Registration of Community Housing Providers	NSW Department of Family and Community Services	Housing NSW	13. Other	231	162	-	180	0.38	158	1.00	0.00	0.10		0.20	0.58	0.38	-		
Charter Fishing Boat Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	219	163	192,726	98	0.60	30	1.00	0.25	0.41	0.56	0.40	1.00	1.09	<0.5		
Licence for a food premise to produce, process or store eggs and egg related products	DTIRIS	Department of Primary Industries	8. Food	213	164	81,734	114	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Schedule 8 supply licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	199	165	35,670	134	0.45	113	1.00	0.00	0.05	0.33	0.40	0.92	0.53	<0.5		
Coal Exploration Licence	DTIRIS	Division of Resources and Energy	11. Mining	189	166	-	180	0.43	123	0.00	0.00	0.09	0.67	1.00	0.83	0.67	-		
Private Health Facilities Licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	186	167	1,360,130	40	0.29	228	0.00	0.00	0.06	0.00	0.80	0.88	0.34	<0.5		
Registered Fish Receiver	DTIRIS	Department of Primary Industries	2. Business registration	151	168	307,483	81	0.67	6	1.00	1.00	0.39	0.33	0.40	0.92	0.67	<0.5		
Chiller premise registration	DPC	Office of Environment and Heritage	6. Environment, plants or animals	150	169	48,600	128	0.66	12	1.00	0.75	0.75	0.00	0.60	0.88	1.20	<0.5		

<sup>a</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Voluntary Out of Home Care - agency registration	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	1. Ageing, disability or children	149	170	-	180	0.48	99	1.00	0.00	0.33		0.40	0.67	0.58	-		
Applications for changes to State Heritage Register items	DPC	Office of Environment and Heritage	13. Other	145	171	109,106	107	0.30	222	0.00	0.00	0.58	0.44	0.20	0.58	0.30	<0.5		
Licence for a food premise to produce, process, or store milk or dairy products	DTIRIS	Department of Primary Industries	8. Food	142	172	101,594	108	0.35	170	1.00	0.00	0.08	0.11	0.60	0.33	0.53	<0.5	✓	
Registration of an Aboriginal Housing Organisation	NSW Department of Family and Community Services	NSW Aboriginal Housing Office	13. Other	133	173	-	180	0.35	176	0.50	0.00	0.10		0.20	0.94	0.35	-		
Game Meat Processing Plant Licence/Field Depot	DTIRIS	Department of Primary Industries	8. Food	130	174	54,510	125	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Licence as a Farm Milk Collector	DTIRIS	Department of Primary Industries	8. Food	119	175	35,581	135	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Marine park permit - commercial	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	119	175	-	180	0.48	103	0.50	0.25	0.33	0.67	0.40	0.71	0.86	-		
Licence to Practice - Signal Mechanical	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	114	177	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		
Authorisation to Practice - Signals Authorised Person	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	113	178	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		
Contractors Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	111	179	10,884	155	0.35	178	0.00	0.00	0.44	0.44	0.20	1.00	0.63	<0.5		
On-site Residential Property Manager	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	107	180	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Approval for an education and childcare service - service approval - family day care	Education and Communities	Office of Education	1. Ageing, disability or children	106	181	3,000	172	0.33	186	1.00	0.50	0.03	0.11	0.20	0.17	0.41	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Licence to supply drugs of addiction by wholesale	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	104	182	32,310	137	0.36	165	0.00	0.50	0.12	0.56	0.00	1.00	0.42	<0.5		
Schedule 2 Retail licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	103	183	7,725	158	0.42	127	1.00	0.00	0.05	0.33	0.20	0.96	0.50	<0.5		
Authority to supply therapeutic substances for veterinary use	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	100	184	-	180	0.55	60	1.00	0.50	0.27		0.00	1.00	0.65	-		
Mine surveyor	DFS	Board of Surveying and Spatial Information	12. Occupational (eg required to practice in professional occupation)	98	185	39,326	132	0.45	113	1.00	0.50	0.00	0.33	0.20	0.67	1.07	<0.5		
Children's Service Licence <sup>d</sup>	Education and Communities	Office of Education	1. Ageing, disability or children	98	185	-	180	0.41	134	1.00	0.50	0.03	0.11	0.40	0.44	0.50	-		
Registration as an industrial organisation	AGD	Industrial Relations Commission of NSW	2. Business registration	96	187	-	180	0.31	220	0.00	0.50	0.39	0.00	0.40	0.56	0.31	-		
Licence to Practice - Signal Engineer (Field)	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	91	188	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		
Permit to Exhibit a Prescribed Species of Animal	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	78	189	4,623	168	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		
Accreditation as a Railway Operator	Transport for NSW	Independent Transport Safety Regulator	17. Public transport	70	190	51,000	127	0.34	182	1.00	0.00	0.00			0.38	0.59	<0.5		
Weapons Dealer Permit	AGD	NSW Police Force	7. Firearms/weapons	69	191	-	180	0.48	96	0.00	1.00	0.20	0.78	0.00	0.92	0.48	-	✓	
Abattoir Licence	DTIRIS	Department of Primary Industries	8. Food	65	192	120,407	104	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Network Authorisation - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	65	192	-	180	0.40	147	0.00	0.00	0.15	0.83	1.00	0.42	0.69	-		
Animal/Cetacea Display Establishment Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	62	194	60,682	121	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		

<sup>d</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Exemptions Granted	AGD	Anti-Discrimination Board	13. Other	62	194	-	180	0.41	139	0.00	0.50	0.58	0.78	0.20	0.42	0.41	-		
Accreditation as a Designated Agency - Out-of-Home Care	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	1. Ageing, disability or children	60	196	-	180	0.25	243	0.00	0.00	0.13		0.40	0.71	0.30	-		
Self-insurer's licence	DFS	WorkCover NSW	13. Other	59	197	30,000	139	0.66	13	0.50	0.50	0.50	0.89	0.60	0.96	0.66	<0.5		
Licence for a food premise to process or store plant products	DTIRIS	Department of Primary Industries	8. Food	55	198	28,943	140	0.35	174	1.00	0.00	0.06	0.11	0.60	0.33	0.52	<0.5	✓	
Surface water permit	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	52	199	252	179	0.55	61	0.50	0.25	0.33	0.67		1.00	0.97	<0.5		
Authorisation to Exhibit Animals at Temporary Establishments	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	50	200	27,012	142	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		
Permit to Conduct Paint-Ball Games	AGD	NSW Police Force	7. Firearms/weapons	49	201	6,000	163	0.58	44	0.00	1.00	0.61	0.78	0.20	0.92	0.58	<0.5	✓	
Onshore Petroleum Exploration Licence	DTIRIS	Division of Resources and Energy	11. Mining	49	201	-	180	0.51	83	0.50	0.00	0.13	0.67	1.00	0.75	0.79	-		
Minor Water Supply Consumer Agreement	Other	Cobar Water Board	5. Electricity, gas or water	45	203	3,800	170	0.53	69	0.00	1.00	0.38	0.33		0.96	0.94	<0.5		
Animal Supply	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	44	204	1,750	175	0.48	101	1.00	0.00	0.39	0.67	0.60	0.21	0.87	<0.5		
Timber Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	40	205	7,630	159	0.61	24	1.00	0.25	0.78	0.44	0.20	1.00	1.11	<0.5		
Animal Food Processing Plant Licence/Field Depot	DTIRIS	Department of Primary Industries	8. Food	35	206	25,413	145	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Domestic Waterfront Tenancy	DTIRIS	Department of Primary Industries	13. Other	35	206	12,532	153	0.47	106	1.00	0.75	0.07	0.00	0.00	1.00	0.47	<0.5		
Water and Sewer Designer Accreditation	Other	Hunter Water Corporation	5. Electricity, gas or water	35	206	-	180	0.68	4	1.00	0.75	0.33		0.60	0.71	1.19	-		
Retail electricity supplier's licence <sup>e</sup>	DPC	IPART	5. Electricity, gas or water	30	209	655,000	59	0.49	94		0.75	0.50	0.56	0.20	0.92	0.86	0.5 - 2.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Agistment Licence	DPC	Department of Planning and Infrastructure	6. Environment, plants or animals	29	210	69,338	119	0.64	18	1.00	0.00	0.67	0.56		0.96	1.15	<0.5				
Products Licence (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	29	210	5,485	165	0.68	3	1.00	0.50	0.78	0.11		1.00	1.23	<0.5				
General Commercial Game Hunting Licence	DTIRIS	Department of Primary Industries	12. Occupational (eg required to practice in professional occupation)	26	212	6,500	162	0.48	100	1.00	0.75	0.22	0.33	0.20	0.38	1.14	<0.5				
Applications for archaeological excavation permits	DPC	Office of Environment and Heritage	13. Other	25	213	47,414	129	0.30	222	0.00	0.00	0.58	0.44	0.20	0.58	0.30	<0.5				
Planning Approval - capital works program & operations	Other	Hunter Water Corporation	15. Residential or commercial works	25	213	-	180	0.33	188	0.00	0.00	0.15		0.60	0.92	0.56	-				
Planning Approval - external developer projects	Other	Hunter Water Corporation	15. Residential or commercial works	23	215	14,766	150	0.32	195	0.00	0.00	0.15	0.67	0.20	0.92	0.55	<0.5				
Licence to operate a residential centre for handicapped persons <sup>f</sup>	NSW Department of Family and Community Services	Ageing, Disability and Home Care	1. Ageing, disability or children	23	215	-	180	0.61	27	1.00	1.00	0.21	0.17	0.60	0.67	0.74	-				
Licence to conduct anatomical examinations	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	23	215	-	180	0.47	105	0.00		0.33	0.67	0.40	0.96	0.55	-				
Mental Health Facility Licence	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	22	218	-	180	0.43	125		0.00	0.00	0.22	1.00	0.92	0.50	-				
Exemptions from closed trading days	NSW Treasury	NSW Industrial Relations	13. Other	22	218	-	180	0.34	183		0.50	0.21	0.67	0.00	0.33	0.34	-				
Licences over Land & Housing Corporations Real Property Assets.	DFS	Land and Housing Corporation	15. Residential or commercial works	21	220	610,000	61	0.41	140	0.00	1.00	0.72	0.00	0.00	0.75	0.70	<0.5				
Natural Gas Retail Suppliers authorisation <sup>e</sup>	DPC	IPART	5. Electricity, gas or water	20	221	520,600	63	0.59	42	0.00	1.00	0.33	0.89	0.40	0.92	1.04	0.5 - 2.5				
Marine Pilot Licence	Transport for NSW	Sydney Ports Corporation	6. Environment, plants or animals	20	221	-	180	0.44	119	0.00	0.50	0.28	0.11	0.80	0.96	0.80	-				
Public Accommodation Licence	DPC	Office of Environment and Heritage	13. Other	19	223	259,600	85	0.60	28	1.00	0.25	0.22	0.44	0.80	0.92	0.60	<0.5				

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Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Authority to obtain and use schedule 7 poisons	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	19	223	-	180	0.25	242	0.00	0.50	0.12		0.00	0.63	0.29	-		
Animal Food Van Licence	DTIRIS	Department of Primary Industries	8. Food	18	225	7,177	161	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Licence to Manufacture or Supply Drugs of Addiction (Supply from private hospitals see Private Health submission)	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	15	226	9,120	157	0.38	157	0.00	0.50	0.44	0.33	0.00	1.00	0.44	<0.5		
Air Transport Licence	Transport for NSW	Department level licence	17. Public transport	14	227	-	180	0.38	156	0.00	0.50	0.20	0.67	0.00	0.92	0.65	-		
Assisted Reproductive Technology Provider Registration	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	12	228	21,240	146	0.35	175	1.00	0.00	0.03	0.11	0.00	0.96	0.41	<0.5		
Licence to supply drug of addiction - OTP clinic	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	12	228	3,420	171	0.36	165	0.00	0.50	0.12	0.56	0.00	1.00	0.42	<0.5		
Forest Materials Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	12	228	1,920	174	0.57	52	1.00	0.50	0.39	0.33	0.20	1.00	1.03	<0.5		
Registration of an event under Hallmark status	DPC	Department level licence	13. Other	12	228	-	180	0.21	257	0.00	0.00	0.18	0.17	0.00	0.92	0.21	-		
Insurer's licence	DFS	Motor Accidents Authority	13. Other	11	232	80,000	116	0.56	56	1.00	0.00	0.23	0.78	0.60	0.75	0.56	<0.5		
Fauna Dealer's Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	11	232	56,815	122	0.64	16	1.00	0.75	0.58	0.11	0.40	1.00	1.16	<0.5		
Leases	Education and Communities	Department level licence	1. Ageing, disability or children	10	234	99,815	111	0.55	62	1.00	0.50	0.08	0.11	0.60	1.00	0.67	<0.5		
Network Operator Licence	DPC	IPART	5. Electricity, gas or water	10	234	42,000	130	0.51	80	1.00	0.00	0.44	0.56	0.40	0.67	0.90	<0.5		
Retail Supplier's Licence (Water)	DPC	IPART	5. Electricity, gas or water	9	236	10,000	156	0.62	22	1.00	0.50	0.33	0.56	0.40	0.92	1.08	<0.5		
General Guide Licence	DTIRIS	Department of Primary Industries	12. Occupational (eg required to practice in professional	9	236	1,350	176	0.29	226	1.00	0.00	0.07	0.11	0.20	0.38	0.69	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Licence to Practice - Signal Ancillary	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	9	236	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-				
Rendering Plant	DTIRIS	Department of Primary Industries	8. Food	8	239	4,958	167	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Marine Pilot Licence	Transport for NSW	Port Kembla Port Corporation	14. Private transport	8	239	-	180	0.67	8	1.00		0.00			1.00	0.67	-				
Natural Gas Reticulator's Authorisation	DPC	IPART	5. Electricity, gas or water	7	241	516,000	64	0.56	55	0.00	1.00	0.50	0.89	0.00	1.00	0.99	0.5 - 2.5	✓			
Authorised Buyers Licences	Other	Rice Marketing Board for the State of New South Wales	6. Environment, plants or animals	7	241	399,863	72	0.45	112	1.00	0.25	0.08	0.00	0.40	1.00	0.82	<0.5				
Knackery Licence	DTIRIS	Department of Primary Industries	8. Food	7	241	2,814	173	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Specialised Insurer's licence	DFS	WorkCover NSW	13. Other	7	241	-	180	0.66	13	0.50	0.50	0.50	0.89	0.60	0.96	0.66	-				
Marine Pilotage Exemption Certificate	Transport for NSW	Sydney Ports Corporation	14. Private transport	6	245	1,200	177	0.53	73	0.50	0.50	0.28	0.11	0.80	0.96	0.53	<0.5				
Access Licence	Other	Hunter Water Corporation	3. Culture or recreation	6	245	-	180	0.44	120	0.00	0.00	0.89	0.78	0.20	0.75	0.65	-				
Gas Distributor's licence (LPG)	DPC	IPART	5. Electricity, gas or water	5	247	1,000	178	0.53	71	0.00	1.00	0.33	0.83	0.00	1.00	1.22	<0.5				
Exploration licence	DTIRIS	Division of Resources and Energy	11. Mining	5	247	-	180	0.44	117	0.00		0.00	0.78		1.00	0.69	-				
Approval of a State Funeral	DPC	Department level licence	13. Other	5	247	-	180	0.25	241	0.00	0.00	0.00			1.00	0.25	-				
Skin Dealers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	6. Environment, plants or animals	4	250	-	180	0.59	43	1.00	0.50	0.50	0.11	0.40	1.00	1.06	-				
Operating licence	DPC	IPART	5. Electricity, gas or water	4	250	-	180	0.31	216	0.00	0.00	0.39		0.20	0.96	0.54	-				
Retail electricity distributor's licence	DPC	IPART	5. Electricity, gas or water	3	252	110,000	106	0.62	21	1.00	0.00	0.50	1.00	0.40	0.83	1.09	<0.5				
Joint Use Licence Agreements	Education and Communities	Department level licence	1. Ageing, disability or children	3	252	15,201	149	0.55	62	1.00	0.50	0.08	0.11	0.60	1.00	0.67	<0.5				

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Accreditation of Adoption Service Providers	Education and Communities <sup>a</sup>	Office of Communities <sup>a</sup>	1. Ageing, disability or children	3	252	-	180	0.29	231	0.00	0.00	0.33		0.40	0.71	0.35	-		
Licence to Conduct Public Lotteries	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2	255	338,000,000	2	0.49	95	1.00	0.25	0.09	0.17	0.40	1.00	0.62	>100		
Sole and Exclusive Export Licence	Other	Rice Marketing Board for the State of New South Wales	6. Environment, plants or animals	1	256	200,000	97	0.41	143	0.00	1.00	0.38	0.00	0.20	0.88	0.74	<0.5		
Snowy water licence for Snowy Hyrdo Co	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	1	256	53,486	126	0.57	54	1.00	0.00	0.33	0.50		1.00	0.99	<0.5		
Pipeline Licence	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	1	256	4,500	169	0.40	147	1.00	0.00	0.00	0.00	0.40	1.00	0.70	<0.5		
Casino Licence	DTIRIS	Independent Liquor and Gaming Authority	10. Liquor, gaming or racing	1	256	-	180	0.73	1	1.00	1.00	0.15	0.78	0.80	0.63	0.93	-		
Mining licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-		
Pipeline licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-		
Production licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-		
Exploration permits and renewal	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.54	66	0.50		0.00	0.67		1.00	0.84	-		
Coal Seam Gas Exploration Licences	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.51	82	0.50	0.00	0.09	0.67	1.00	0.79	0.79	-		
Petroleum Special Prospecting Authorities	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.48	101	1.00	0.00	0.13	0.67	0.20	0.88	0.74	-		
Retention licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.42	132	0.00		0.00	0.67		1.00	0.65	-		
Works licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.42	132	0.00		0.00	0.67		1.00	0.65	-		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$) (median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)				
Authorisation to carry out commercial and other activities at major event venue or facility	DPC	Department level licence	13. Other	-	260	-	180	0.33	189	0.00		0.00			1.00	0.33	-			
Children's Service Licence - Centre based <sup>g</sup>	Education and Communities	Office of Education	1. Ageing, disability or children	- Not applicable	269	1,506,698	36	0.28	232	0.00	0.50	0.03	0.11	0.40	0.67	0.35	0.5 - 2.5			

- <sup>a</sup> This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.
- <sup>b</sup> The number of Bore Water Licences has declined significantly (to approximately 1,750 licences) since our licence survey was conducted, following reforms to modernise the legislative framework for how water licences are managed in NSW.
- <sup>c</sup> This licence no longer exists – the commencement of the *Entertainment Industry Act 2013* (NSW) (on 2 March 2014) has abolished the 'Entertainment Industry Representative's Licence'.
- <sup>d</sup> This licence no longer exists – it was part of the regulatory framework that existed in NSW before the introduction of the National Quality Framework in January 2012.
- <sup>e</sup> Since 1 July 2013, responsibility for this licence has been transferred to the Federal regulator – the Australian Energy Regulator.
- <sup>f</sup> This licence's name has been changed as a result of legislation changes in 2013 to 'Authorisation to operate an assisted boarding house' under the *Boarding Houses Act 2012* (NSW).
- <sup>g</sup> This licence no longer exists – it was replaced by the 'Approval for an education and childcare service – centre based care', concurrent with the implementation of the National Quality Framework in January 2012.

**Notes:**

1. The licence types presented in this table are ranked first by licence numbers, then by licence revenue, then by policy score. 'Licence numbers' refers to the greatest of the number of new, renewed or in force reported by the department/agency for each licence type. 'Licence revenue' refers to the greatest of the sum of application, renewal and processing fees; and the total revenue reported by the department/agency for each licence type.

2. The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

Table J.2 Initial 269 'significant' licences – ranked by licence revenue

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	‘Top 40’ priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD \$(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)				

Registration of a Light Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	5,555,737	1	1,814,269,240	1	0.46	109	1.00	0.25	0.44	0.11	0.60	0.33	0.46	>100	✓	✓
Licence to Conduct Public Lotteries	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2	255	338,000,000	2	0.49	95	1.00	0.25	0.09	0.17	0.40	1.00	0.62	>100		
Registration of a Heavy Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	215,470	17	264,198,492	3	0.43	122	1.00	0.00	0.35	0.11	0.80	0.33	0.43	2.5 - 5		✓
Drivers Licence - Car	Transport for NSW	Roads and Maritime Services	14. Private transport	4,432,276	2	106,662,630	4	0.52	75	1.00	0.50	0.56	0.00	0.20	0.88	0.52	50 - 100	✓	✓

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3										Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.								
Home Building licences	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	179,918	20	32,043,599	5	0.46	110	0.50	0.50	0.67	0.33	0.40	0.33	1.08	25 - 50	✓	✓				
Registration of a Commercial or Recreational Vessel	Transport for NSW	Roads and Maritime Services	14. Private transport	226,634	16	24,730,938	6	0.47	107	1.00	0.00	0.33	0.33		0.67	0.47	10 - 25		✓				
Environment Protection Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	2,352	102	16,700,000	7	0.41	142	1.00	0.00	0.44	0.17	0.60	0.25	0.74	10 - 25	✓	✓				
Recreational Fishing Fee	DTIRIS	Department of Primary Industries	3. Culture or recreation	267,518	13	13,400,000	8	0.48	97	0.50	0.00	0.67	0.78	0.20	0.75	0.71	5 - 10	✓	✓				
Vehicle Licence - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	7,017	69	12,753,749	9	0.32	212	0.00	0.50	0.26	0.22	0.60	0.33	0.55	5 - 10						
Applications for the issue of Certificates and other services in regard to Births registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	260,956	15	12,003,976	10	0.19	261	0.00	0.00	0.33	0.11		0.50	0.19	0.5 - 2.5						
Vehicle Licence - Private Hire Vehicle (hire car)	Transport for NSW	Roads and Maritime Services	17. Public transport	1,367	120	8,299,003	11	0.42	129	0.00	0.50	0.78	0.67	0.20	0.38	0.72	5 - 10						
P2 provisional drivers licence	Transport for NSW	Roads and Maritime Services	14. Private transport	264,954	14	7,036,040	12	0.36	168	0.00	0.50	0.56	0.00	0.20	0.88	0.36	0.5 - 2.5						
RSA/RCG Competency Card	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	91,873	24	6,431,110	13	0.23	245	0.00	0.25	0.13	0.33	0.20	0.50	0.30	0.5 - 2.5						
Registration of companion animal	DPC	Division of Local Government	6. Environment, plants or animals	2,288,849	3	6,118,005	14	0.39	149	0.00	0.00	0.25	0.78		0.94	0.72	2.5 - 5						
Firearms Licence (either for Sport/Target Shooting, Rec hunting/Vermin Control, Primary production, vertebrate Pest Animal Control, Business or Employment, Rural Occupation, Animal Welfare, Firearms Collection)	AGD	NSW Police Force	7. Firearms/weapons	194,347	19	5,880,220	15	0.39	151	0.00	0.50	0.41	0.67	0.40	0.38	0.39	0.5 - 2.5	✓					

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Licence for high risk work	DFS	WorkCover NSW	15. Residential or commercial works	303,123	10	5,545,745	16	0.21	258	0.00	0.00	0.26	0.33	0.20	0.46	0.35	0.5 - 2.5		
Learners permit	Transport for NSW	Roads and Maritime Services	14. Private transport	283,174	12	5,257,272	17	0.36	165	0.00	0.50	0.56	0.00	0.20	0.92	0.36	0.5 - 2.5	✓	
P1 provisional Drivers licence	Transport for NSW	Roads and Maritime Services	14. Private transport	145,046	21	5,112,888	18	0.36	168	0.00	0.50	0.56	0.00	0.20	0.88	0.36	0.5 - 2.5		
Applications for the issue of Certificates and other services (excluding the conduct of marriage ceremonies) in regard to Marriages registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	95,614	23	4,398,244	19	0.12	265	0.00	0.00	0.00	0.11		0.50	0.12	0.5 - 2.5		
12. Occupational (eg required to practice in professional occupation)																			
Accreditation as a New Scheme Teacher	Education and Communities	NSW Institute of Teachers	12. Occupational (eg required to practice in professional occupation)	41,462	36	4,238,622	20	0.28	234	0.00	0.00	0.67	0.33	0.40	0.29	0.67	2.5 - 5		
NSW Photo ID Card	Transport for NSW	Roads and Maritime Services	14. Private transport	304,080	9	3,088,827	21	0.51	80	1.00		0.56	0.00	0.00	1.00	0.51	0.5 - 2.5		✓
Applications for the issue of Certificates and other services in regard to Deaths registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	64,339	28	2,959,594	22	0.22	251	0.00	0.00	0.50	0.11		0.50	0.22	0.5 - 2.5		
Registration of approved Changes of Name of persons resident in, or deemed to be residents of, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	16,711	54	2,573,494	23	0.21	256	0.00	0.00	0.50	0.11	0.00	0.67	0.21	0.5 - 2.5		
Boat driving licence	Transport for NSW	Roads and Maritime Services	14. Private transport	486,805	7	2,563,855	24	0.12	265	0.00	0.00	0.15	0.00	0.00	0.58	0.12	<0.5		
Approval of professional standards indemnity limitation schemes	AGD	Department level licence	13. Other	52,953	32	2,334,760	25	0.32	196	0.00	0.00	0.23	0.56	0.60	0.54	0.32	0.5 - 2.5		
BASIX Certificate	DPC	Department of Planning and Infrastructure	15. Residential or commercial works	35,557	38	2,303,005	26	0.12	268	0.00	0.00	0.20	0.33	0.00	0.17	0.20	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD \$(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Licence for a food transport business for dairy, meat, plant products, seafood, eggs & egg related products & game meat	DTIRIS	Department of Primary Industries	8. Food	7,590	67	2,251,312	27	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	0.5 - 2.5	✓			
Operator Accreditation - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	5,242	74	2,193,900	28	0.67	7	1.00	1.00	0.33	0.83	0.80	0.06	1.15	2.5 - 5		✓		
Conditional Registration	Transport for NSW	Roads and Maritime Services	14. Private transport	77,172	27	2,173,234	29	0.44	118	1.00	0.00	0.40	0.00	0.80	0.46	0.44	0.5 - 2.5		✓		
Construction Induction Card	DFS	WorkCover NSW	15. Residential or commercial works	1,034,174	4	1,829,296	30	0.21	259	0.00	0.00	0.41	0.33	0.20	0.29	0.35	0.5 - 2.5				
Private mooring licence	Transport for NSW	Roads and Maritime Services	3. Culture or recreation	17,328	51	1,819,057	31	0.28	236	0.00	0.00	0.33	0.44	0.40	0.50	0.41	0.5 - 2.5				
Applications for the issue of Certificates in regard to Family History	AGD	Registry of Births, Deaths and Marriages	13. Other	61,250	30	1,715,000	32	0.22	251	0.00	0.00	0.50	0.11		0.50	0.22	<0.5				
Trade waste commercial permits	Other	Sydney Water Corporation	5. Electricity, gas or water	17,323	52	1,661,801	33	0.36	163	1.00	0.00	0.13	0.00	0.60	0.46	0.64	0.5 - 2.5				
Heavy Vehicle Permit	Transport for NSW	Roads and Maritime Services	14. Private transport	22,457	44	1,616,904	34	0.43	124	1.00	0.00	0.56	0.22	0.00	0.79	0.43	0.5 - 2.5		✓		
Conduct of Civil Marriage Ceremonies	AGD	Registry of Births, Deaths and Marriages	13. Other	4,519	78	1,522,903	35	0.29	228	0.00	0.00	0.50	0.11		0.83	0.29	<0.5				
Children's Service Licence - Centre based <sup>a</sup>	Education and Communities	Office of Education	1. Ageing, disability or children	Not applicable	269	1,506,698	36	0.28	232	0.00	0.50	0.03	0.11	0.40	0.67	0.35	0.5 - 2.5				
Approval of Gaming Equipment	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	10,000	59	1,446,578	37	0.35	178	0.00	0.25	0.50	0.56	0.20	0.58	0.44	0.5 - 2.5				
Permit to Acquire Firearms (PTA)	AGD	NSW Police Force	7. Firearms/weapons	62,789	29	1,437,840	38	0.55	65	1.00	0.50	0.56	0.78	0.20	0.25	0.55	0.5 - 2.5	✓	✓		
Development Assessment applications & related report and design review services	Other	Hunter Water Corporation	5. Electricity, gas or water	3,000	90	1,400,000	39	0.28	233	1.00	0.00	0.13	0.11	0.00	0.46	0.50	0.5 - 2.5				
Private Health Facilities Licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	186	167	1,360,130	40	0.29	228	0.00	0.00	0.06	0.00	0.80	0.88	0.34	<0.5				

<sup>J</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Survey of a Commercial Vessel	Transport for NSW	Roads and Maritime Services	17. Public transport	2,397	99	1,352,954	41	0.32	193	0.50	0.00	0.18	0.22	0.60	0.44	0.56	0.5 - 2.5		
Trade waste industrial consents	Other	Sydney Water Corporation	5. Electricity, gas or water	735	138	1,237,447	42	0.20	260	0.00	0.00	0.13	0.00	0.60	0.46	0.35	<0.5		
Club or Commercial Mooring Licence	Transport for NSW	Roads and Maritime Services	17. Public transport	1,241	124	1,167,075	43	0.35	178	1.00	0.00	0.06	0.33	0.20	0.50	0.60	0.5 - 2.5		
Towing authorisation	Transport for NSW	Roads and Maritime Services	14. Private transport	52,170	33	1,147,763	44	0.24	244	0.00	0.00	0.03	0.22	0.20	0.96	0.24	<0.5		
Registration of a Plant Item	DFS	WorkCover NSW	15. Residential or commercial works	57,917	31	1,110,512	45	0.32	191	0.00	0.00	0.31	0.78	0.40	0.46	0.55	0.5 - 2.5		
Radiation User Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	13,101	56	1,089,667	46	0.42	128	0.50	0.75	0.21	0.00	0.20	0.88	0.77	0.5 - 2.5		✓
Driver Authority - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	24,053	43	1,033,820	47	0.63	19	0.50	0.75	0.39	0.83	1.00	0.33	1.09	0.5 - 2.5		✓
Restricted Game Hunting Licence (R-Licence)	DTIRIS	Department of Primary Industries	3. Culture or recreation	14,850	55	973,140	48	0.07	269	0.00	0.00	0.05	0.11	0.20	0.08	0.11	<0.5		
Mobility Parking Scheme Permit - Individual	Transport for NSW	Roads and Maritime Services	14. Private transport	315,027	8	924,727	49	0.42	131	0.50	0.50	0.28	0.22	0.00	1.00	0.42	<0.5		
Applications for the issue of Certificates in regard to Changes of Name registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	20,890	47	919,160	50	0.29	228	0.00	0.00	0.50	0.11		0.83	0.29	<0.5		
Permit to Conduct a Lottery-Trade Promotion - single promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing 12. Occupational (eg required to practice in professional occupation)	11,942	58	895,650	51	0.46	108	0.00	1.00	0.50	0.33	0.20	0.75	0.59	0.5 - 2.5	✓	✓
Security Industry - Master Licence	AGD	NSW Police Force		4,011	82	880,100	52	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	<0.5	✓	
Food Safety Certificates	DTIRIS	Department of Primary Industries	8. Food	40,695	37	830,647	53	0.23	246	0.00	0.00	0.03	0.33	0.20	0.83	0.35	<0.5	✓	
Retail Meat Premises	DTIRIS	Department of Primary Industries	8. Food	1,841	110	820,398	54	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Certificate of Admission as a Lawyer	AGD	Legal Profession Admission Board	12. Occupational (eg required to practice in professional occupation)	1,977	107	786,820	55	0.37	160	0.00	0.75	0.23	0.33	0.00	0.92	0.88	0.5 - 2.5				
Driver Authority - Bus	Transport for NSW	Roads and Maritime Services	17. Public transport	28,218	42	717,150	56	0.56	58	0.50	0.50	0.44	0.56	1.00	0.33	0.96	0.5 - 2.5	✓			
Registration as a Veterinary Practitioner	Other	Veterinary Practitioners Board of New South Wales	12. Occupational (eg required to practice in professional occupation)	2,693	95	697,028	57	0.39	153	0.00	0.25	0.28	0.33	0.60	0.88	0.93	0.5 - 2.5				
Section 15B Certificate	DTIRIS	Department of Primary Industries	13. Other	8,556	63	684,480	58	0.31	214	0.00		0.20	0.56		0.50	0.31	<0.5				
Retail electricity supplier's licence <sup>b</sup>	DPC	IPART	5. Electricity, gas or water	30	209	655,000	59	0.49	94		0.75	0.50	0.56	0.20	0.92	0.86	0.5 - 2.5				
Accreditation to provide contestable services	DTIRIS	Division of Resources and Energy	5. Electricity, gas or water	1,473	116	646,000	60	0.28	235	1.00	0.00	0.23	0.00	0.20	0.25	0.49	<0.5				
Licences over Land & Housing Corporations Real Property Assets.	DFS	Land and Housing Corporation	15. Residential or commercial works	21	220	610,000	61	0.41	140	0.00	1.00	0.72	0.00	0.00	0.75	0.70	<0.5				
Pharmacy Registration and Renewal	NSW Ministry of Health	Health Professional Councils Authority	9. Health or pharmaceutical	1,805	111	552,500	62	0.68	5	1.00	1.00	0.24	0.33	0.60	0.88	0.79	<0.5	✓			
Natural Gas Retail Suppliers authorisation <sup>b</sup>	DPC	IPART	5. Electricity, gas or water	20	221	520,600	63	0.59	42	0.00	1.00	0.33	0.89	0.40	0.92	1.04	0.5 - 2.5				
Natural Gas Reticulator's Authorisation	DPC	IPART	5. Electricity, gas or water	7	241	516,000	64	0.56	55	0.00	1.00	0.50	0.89	0.00	1.00	0.99	0.5 - 2.5	✓			
Tow Truck Drivers Certificate	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	3,025	89	503,804	65	0.31	217	0.50	0.00	0.14	0.56	0.20	0.46	0.73	<0.5				
Occupiers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	6. Environment, plants or animals	4,336	80	496,600	66	0.61	24	1.00	0.75	0.67	0.11	0.20	0.94	1.11	0.5 - 2.5	✓			
Registration of Relationships of persons resident in, or deemed to be residents of, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	2,504	97	483,272	67	0.13	264	0.00	0.00	0.00	0.11	0.00	0.67	0.13	<0.5				

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Seafood Licence (Shellfish Harvester)	DTIRIS	Department of Primary Industries	8. Food	282	159	464,380	68	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Special Employee's Licence	DTIRIS	Independent Liquor and Gaming Authority	10. Liquor, gaming or racing	2,605	96	460,850	69	0.51	77	0.00	1.00	0.33	0.56	0.20	1.00	0.66	<0.5		
Vulnerable Persons Food Business Licence	DTIRIS	Department of Primary Industries	8. Food	1,216	128	406,285	70	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Land surveyor	DFS	Board of Surveying and Spatial Information	12. Occupational (eg required to practice in professional occupation)	963	130	402,658	71	0.45	113	1.00	0.50	0.00	0.33	0.20	0.67	1.07	<0.5		
Authorised Buyers Licences	Other	Rice Marketing Board for the State of New South Wales	6. Environment, plants or animals	7	241	399,863	72	0.45	112	1.00	0.25	0.08	0.00	0.40	1.00	0.82	<0.5		
Surface water licence	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	2,416	98	389,229	73	0.48	103	0.00	0.00	0.83	0.67	0.40	0.96	0.84	<0.5		
Kangaroo Harvesters Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	443	146	374,700	74	0.61	26	1.00	0.25	0.50	0.11	0.80	1.00	1.11	<0.5		
Operator Accreditation - Bus	Transport for NSW	Roads and Maritime Services	17. Public transport	2,064	106	366,928	75	0.45	116	0.50	0.00	0.33	0.56	1.00	0.29	0.77	<0.5		
Firearms permit (includes for Museum, Heirloom, High Calibre Pistol, Pistol Permit, Purchase a Non-Prohibited Firearm on Leaving Australia, Security Firm Employee, Silencer - Firearm with silencer, Starting Pistol and Storage of Firearms in NSW)	AGD	NSW Police Force	7. Firearms/weapons	297	156	361,500	76	0.53	68	0.00	1.00	0.56	0.78	0.00	0.88	0.53	<0.5	✓	
Commercial Fishing Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,274	122	358,715	77	0.58	45	1.00	0.25	0.41	0.44	0.40	1.00	1.06	<0.5		
Commercial Fishing Boat Licence	DTIRIS	Department of Primary	6. Environment, plants or animals	1,964	108	345,459	78	0.54	67	1.00	0.25	0.32	0.44	0.20	1.00	0.97	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Dairy Farmer - Cows milk production	DTIRIS	Industries Department of Primary Industries	8. Food	779	137	313,581	79	0.35	170	1.00	0.00	0.08	0.11	0.60	0.33	0.53	<0.5	✓	
Bore licences Water Act 1912 only <sup>c</sup>	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	32,630	40	312,933	80	0.62	23	0.00	1.00	0.67	0.67	0.40	0.96	1.08	<0.5		✓
Registered Fish Receiver	DTIRIS	Department of Primary Industries	2. Business registration	151	168	307,483	81	0.67	6	1.00	1.00	0.39	0.33	0.40	0.92	0.67	<0.5		
Radiation Registration	DPC	Environment Protection Authority	6. Environment, plants or animals	9,014	61	303,485	82	0.34	184	0.00	0.75	0.13	0.00	0.20	0.96	0.61	<0.5		
Seafood Licence (Non-Shellfish Harvesters) Includes seafood processors and handling of live caught seafood.	DTIRIS	Department of Primary Industries	8. Food	872	133	296,537	83	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Licence for Cold Food storage Multi (Licence for a food business to store dairy, meat, plant products, seafood, eggs & egg related products)	DTIRIS	Department of Primary Industries	8. Food	527	143	271,128	84	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Public Accommodation Licence	DPC	Office of Environment and Heritage	13. Other	19	223	259,600	85	0.60	28	1.00	0.25	0.22	0.44	0.80	0.92	0.60	<0.5		
Licence to Supply by Wholesale Poisons, Restricted Substances or Drugs for Therapeutic Use	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	543	142	254,835	86	0.33	190	0.00	0.50	0.12	0.33	0.00	1.00	0.38	<0.5		
On-Premises Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,020	64	245,000	87	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5		✓
Authorisation of Level 1 and Level 2 Accredited Service providers to carry out contestable work on or near the distribution network.	DTIRIS	Ausgrid	5. Electricity, gas or water	1,465	117	233,935	88	0.69	2	1.00	0.50	0.44	0.67	0.60	0.92	1.21	<0.5	✓	

<sup>J</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD \$(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Meat Processing Plant Licence	DTIRIS	Department of Primary Industries	8. Food	346	150	229,852	89	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Applications for the issue of Certificates in regard to Single Status	AGD	Registry of Births, Deaths and Marriages	13. Other	5,157	75	226,908	90	0.26	240	0.00	0.00	0.50	0.11		0.67	0.26	<0.5		
Plant Health Certificates	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	7,755	66	218,577	91	0.48	98	0.00	0.75	0.51	0.67	0.00	0.96	0.87	<0.5		✓
Applications for the issue of Certificates in regard to Relationships	AGD	Registry of Births, Deaths and Marriages	13. Other	4,871	77	214,324	92	0.12	265	0.00	0.00	0.00	0.11		0.50	0.12	<0.5		
Child Employment - Employers Authority	Education and Communities <sup>d</sup>	Office of Communities <sup>d</sup>	1. Ageing, disability or children	263	160	210,342	93	0.51	84	1.00	0.50	0.15	0.78	0.00	0.61	0.62	<0.5	✓	
Apiary Occupation Permit (Bee Keeping Permit)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	332	153	209,783	94	0.31	221	0.00	0.25	0.39	0.00	0.20	1.00	0.56	<0.5		
General Game Hunting Licence (G-Licence)	DTIRIS	Department of Primary Industries	3. Culture or recreation	3,355	88	200,940	95	0.15	263	0.00	0.00	0.20	0.11	0.20	0.38	0.22	<0.5		
Operators Licence (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,463	118	200,864	96	0.40	145	0.00	0.50	0.39	0.33	0.20	1.00	0.73	<0.5		
Sole and Exclusive Export Licence	Other	Rice Marketing Board for the State of New South Wales	6. Environment, plants or animals	1	256	200,000	97	0.41	143	0.00	1.00	0.38	0.00	0.20	0.88	0.74	<0.5		
Charter Fishing Boat Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	219	163	192,726	98	0.60	30	1.00	0.25	0.41	0.56	0.40	1.00	1.09	<0.5		
Packaged Liquor Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,127	104	189,000	99	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5		
Supervisor certificate	Education and Communities	Office of Education	1. Ageing, disability or children	5,984	70	176,160	100	0.33	186	1.00	0.50	0.03	0.11	0.20	0.17	0.41	<0.5		
Child-related employment certificate	Education and Communities <sup>d</sup>	Office of Communities <sup>d</sup>	1. Ageing, disability or children	16,786	53	151,396	101	0.37	161	0.50	0.00	0.23	0.33	0.20	0.96	0.45	<0.5		
Driving Instructors Licence	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	3,965	83	136,206	102	0.42	126	0.00	0.50	0.33	0.56	0.20	0.96	1.01	<0.5		

<sup>d</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD \$(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Certificates of Competence	DTIRIS	Division of Resources and Energy	11. Mining	9,011	62	128,760	103	0.27	237	0.00	0.00	0.49	0.33	0.20	0.58	0.42	<0.5	✓	
Abattoir Licence	DTIRIS	Department of Primary Industries	8. Food	65	192	120,407	104	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Approval for an education and childcare service - service approval - centre based care	Education and Communities	Office of Education	1. Ageing, disability or children	3,401	87	118,800	105	0.37	162	1.00	0.50	0.03	0.11	0.40	0.17	0.45	<0.5		
Retail electricity distributor's licence	DPC	IPART	5. Electricity, gas or water	3	252	110,000	106	0.62	21	1.00	0.00	0.50	1.00	0.40	0.83	1.09	<0.5		
Applications for changes to State Heritage Register items	DPC	Office of Environment and Heritage	13. Other	145	171	109,106	107	0.30	222	0.00	0.00	0.58	0.44	0.20	0.58	0.30	<0.5		
Licence for a food premise to produce, process, or store milk or dairy products	DTIRIS	Department of Primary Industries	8. Food	142	172	101,594	108	0.35	170	1.00	0.00	0.08	0.11	0.60	0.33	0.53	<0.5	✓	
Dangerous Goods Driver Licence	DPC	Environment Protection Authority	4. Dangerous goods	7,849	65	100,605	109	0.49	86	0.00	0.75	0.39	0.67	0.20	0.96	0.88	<0.5		✓
Entertainment Industry Representative's Licence <sup>e</sup>	NSW Treasury	NSW Industrial Relations	12. Occupational (eg required to practice in professional occupation)	431	148	100,200	110	0.53	72	1.00	0.50	0.03	0.67	0.00	0.96	1.25	<0.5	✓	
Leases	Education and Communities	Department level licence	1. Ageing, disability or children	10	234	99,815	111	0.55	62	1.00	0.50	0.08	0.11	0.60	1.00	0.67	<0.5		
Aquaculture Lease	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	2,361	101	94,581	112	0.56	57	1.00	0.00	0.61	0.22	0.80	0.71	1.01	<0.5		
Licence to Establish or Maintain an Apiary on a Reserve	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,263	123	82,364	113	0.60	29	1.00	0.25	0.50	0.67	0.20	1.00	1.09	<0.5		
Licence for a food premise to produce, process or store eggs and egg related products	DTIRIS	Department of Primary Industries	8. Food	213	164	81,734	114	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Water Access Licence: Driller's Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	320	155	80,757	115	0.49	88	0.50	0.50	0.61	0.89	0.00	0.46	0.89	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Insurer's licence	DFS	Motor Accidents Authority	13. Other	11	232	80,000	116	0.56	56	1.00	0.00	0.23	0.78	0.60	0.75	0.56	<0.5		
Water Management Approvals (Combined Water Supply Works & Use Approval)	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	20,981	46	75,643	117	0.32	213	0.50	0.00	0.16	0.00	0.40	0.83	0.55	<0.5		
Radiation Sell/Possess Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	968	129	69,676	118	0.41	135	0.50	0.75	0.16	0.00	0.20	0.88	0.75	<0.5		
Agistment Licence	DPC	Department of Planning and Infrastructure	6. Environment, plants or animals	29	210	69,338	119	0.64	18	1.00	0.00	0.67	0.56		0.96	1.15	<0.5		
Limited licence - single function	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,530	114	61,200	120	0.32	192	0.00	0.50	0.25	0.44	0.00	0.75	0.41	<0.5		
Animal/Cetacea Display Establishment Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	62	194	60,682	121	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		
Fauna Dealer's Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	11	232	56,815	122	0.64	16	1.00	0.75	0.58	0.11	0.40	1.00	1.16	<0.5		
Producer/Wholesale Liquor Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,941	109	56,500	123	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5		
Certificate of Maritime Competency	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	12,588	57	56,219	124	0.22	255	0.00	0.00	0.08	0.22	0.20	0.83	0.53	<0.5		
Game Meat Processing Plant Licence/Field Depot	DTIRIS	Department of Primary Industries	8. Food	130	174	54,510	125	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Snowy water licence for Snowy Hyrdo Co	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	1	256	53,486	126	0.57	54	1.00	0.00	0.33	0.50		1.00	0.99	<0.5		
Accreditation as a Railway Operator	Transport for NSW	Independent Transport Safety Regulator	17. Public transport	70	190	51,000	127	0.34	182	1.00	0.00	0.00			0.38	0.59	<0.5		
Chiller premise registration	DPC	Office of Environment and Heritage	6. Environment, plants or animals	150	169	48,600	128	0.66	12	1.00	0.75	0.75	0.00	0.60	0.88	1.20	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Applications for archaeological excavation permits	DPC	Office of Environment and Heritage	13. Other	25	213	47,414	129	0.30	222	0.00	0.00	0.58	0.44	0.20	0.58	0.30	<0.5		
Network Operator Licence	DPC	IPART	5. Electricity, gas or water	10	234	42,000	130	0.51	80	1.00	0.00	0.44	0.56	0.40	0.67	0.90	<0.5		
Dangerous Goods Bulk Vehicle Licence	DPC	Environment Protection Authority	4. Dangerous goods	435	147	39,411	131	0.65	15	1.00	0.75	0.39	0.67	0.20	0.88	1.15	<0.5		
Mine surveyor	DFS	Board of Surveying and Spatial Information	12. Occupational (eg required to practice in professional occupation)	98	185	39,326	132	0.45	113	1.00	0.50	0.00	0.33	0.20	0.67	1.07	<0.5		
Aquatic Event Licence	Transport for NSW	Roads and Maritime Services	3. Culture or recreation	814	135	35,917	133	0.36	164	1.00	0.00	0.18	0.33	0.00	0.67	0.54	<0.5		
Schedule 8 supply licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	199	165	35,670	134	0.45	113	1.00	0.00	0.05	0.33	0.40	0.92	0.53	<0.5		
Licence as a Farm Milk Collector	DTIRIS	Department of Primary Industries	8. Food	119	175	35,581	135	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Authorisation of plantation or proposed plantation	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,626	112	33,218	136	0.16	262	0.00	0.00	0.10	0.00	0.20	0.67	0.29	<0.5		
Licence to supply drugs of addiction by wholesale	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	104	182	32,310	137	0.36	165	0.00	0.50	0.12	0.56	0.00	1.00	0.42	<0.5		
Firearm Dealer/ Club Armourer Licence	AGD	NSW Police Force	7. Firearms/weapons	607	140	31,400	138	0.51	79	0.00	0.50	0.48	0.78	0.40	0.92	0.51	<0.5	✓	
Self-insurer's licence	DFS	WorkCover NSW	13. Other	59	197	30,000	139	0.66	13	0.50	0.50	0.50	0.89	0.60	0.96	0.66	<0.5		
Licence for a food premise to process or store plant products	DTIRIS	Department of Primary Industries	8. Food	55	198	28,943	140	0.35	174	1.00	0.00	0.06	0.11	0.60	0.33	0.52	<0.5	✓	
Water Access Licences	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	33,477	39	27,241	141	0.31	219	0.00	0.25	0.33	0.11	0.40	0.75	0.54	<0.5		
Authorisation to Exhibit Animals at Temporary Establishments	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	50	200	27,012	142	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		
Special Purpose Permit (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	466	144	26,724	143	0.53	70	1.00	0.25	0.39	0.33	0.20	1.00	0.96	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Appointment as a public notary	AGD	Legal Profession Admission Board	12. Occupational (eg required to practice in professional occupation)	874	132	26,400	144	0.57	53	1.00	1.00	0.13	0.33	0.00	0.96	1.35	<0.5		
Animal Food Processing Plant Licence/Field Depot	DTIRIS	Department of Primary Industries	8. Food	35	206	25,413	145	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Assisted Reproductive Technology Provider Registration	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	12	228	21,240	146	0.35	175	1.00	0.00	0.03	0.11	0.00	0.96	0.41	<0.5		
Fisheries Section 37 permit	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	296	157	15,929	147	0.23	247	0.00	0.00	0.05	0.22	0.20	0.92	0.42	<0.5		
Transported Stock Statement	DTIRIS	Department of Primary Industries	13. Other	21,167	45	15,735	148	0.30	224	0.00	0.50	0.00	0.67	0.00	0.61	0.30	<0.5		
Joint Use Licence Agreements	Education and Communities	Department level licence	1. Ageing, disability or children	3	252	15,201	149	0.55	62	1.00	0.50	0.08	0.11	0.60	1.00	0.67	<0.5		
Planning Approval - external developer projects	Other	Hunter Water Corporation	15. Residential or commercial works	23	215	14,766	150	0.32	195	0.00	0.00	0.15	0.67	0.20	0.92	0.55	<0.5		
Approval of a Shooting Range	AGD	NSW Police Force	7. Firearms/weapons	340	151	13,400	151	0.41	144	0.00	0.00	0.56	0.78	0.20	0.92	0.41	<0.5	✓	
Provider Approval	Education and Communities	Office of Education	1. Ageing, disability or children	2,767	94	12,800	152	0.42	130	1.00	0.50	0.06	0.11	0.40	0.44	0.51	<0.5		
Domestic Waterfront Tenancy	DTIRIS	Department of Primary Industries	13. Other	35	206	12,532	153	0.47	106	1.00	0.75	0.07	0.00	0.00	1.00	0.47	<0.5		
Aquaculture permit	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	555	141	12,372	154	0.60	31	1.00	0.00	0.67	0.22	0.80	0.92	1.09	<0.5		
Contractors Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	111	179	10,884	155	0.35	178	0.00	0.00	0.44	0.44	0.20	1.00	0.63	<0.5		
Retail Supplier's Licence (Water)	DPC	IPART	5. Electricity, gas or water	9	236	10,000	156	0.62	22	1.00	0.50	0.33	0.56	0.40	0.92	1.08	<0.5		
Licence to Manufacture or Supply Drugs of Addiction (Supply from private hospitals see	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	15	226	9,120	157	0.38	157	0.00	0.50	0.44	0.33	0.00	1.00	0.44	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD \$(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Private Health submission)																			
Schedule 2 Retail licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	103	183	7,725	158	0.42	127	1.00	0.00	0.05	0.33	0.20	0.96	0.50	<0.5		
Timber Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	40	205	7,630	159	0.61	24	1.00	0.25	0.78	0.44	0.20	1.00	1.11	<0.5		
Certificate of Local Knowledge	Transport for NSW	Sydney Ports Corporation	14. Private transport	464	145	7,200	160	0.39	150	0.00	1.00	0.28	0.11	0.00	0.96	0.39	<0.5		
Animal Food Van Licence	DTIRIS	Department of Primary Industries	8. Food	18	225	7,177	161	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
General Commercial Game Hunting Licence	DTIRIS	Department of Primary Industries	12. Occupational (eg required to practice in professional occupation)	26	212	6,500	162	0.48	100	1.00	0.75	0.22	0.33	0.20	0.38	1.14	<0.5		
Hotel Licence (Liquor) - Full hotel	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,097	105	6,000	163	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5	✓	
Permit to Conduct Paint-Ball Games	AGD	NSW Police Force	7. Firearms/weapons	49	201	6,000	163	0.58	44	0.00	1.00	0.61	0.78	0.20	0.92	0.58	<0.5	✓	
Products Licence (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	29	210	5,485	165	0.68	3	1.00	0.50	0.78	0.11		1.00	1.23	<0.5		
Water Use Approvals	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	2,309	103	5,018	166	0.40	146	0.50	0.25	0.23	0.44	0.20	0.79	0.71	<0.5		
Rendering Plant	DTIRIS	Department of Primary Industries	8. Food	8	239	4,958	167	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Permit to Exhibit a Prescribed Species of Animal	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	78	189	4,623	168	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		
Pipeline Licence	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	1	256	4,500	169	0.40	147	1.00	0.00	0.00	0.00	0.40	1.00	0.70	<0.5		
Minor Water Supply Consumer Agreement	Other	Cobar Water Board	5. Electricity, gas or water	45	203	3,800	170	0.53	69	0.00	1.00	0.38	0.33		0.96	0.94	<0.5		
Licence to supply drug of addiction - OTP clinic	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	12	228	3,420	171	0.36	165	0.00	0.50	0.12	0.56	0.00	1.00	0.42	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Approval for an education and childcare service - service approval - family day care	Education and Communities	Office of Education	1. Ageing, disability or children	106	181	3,000	172	0.33	186	1.00	0.50	0.03	0.11	0.20	0.17	0.41	<0.5		
Knackery Licence	DTIRIS	Department of Primary Industries	8. Food	7	241	2,814	173	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Forest Materials Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	12	228	1,920	174	0.57	52	1.00	0.50	0.39	0.33	0.20	1.00	1.03	<0.5		
Animal Supply	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	44	204	1,750	175	0.48	101	1.00	0.00	0.39	0.67	0.60	0.21	0.87	<0.5		
General Guide Licence	DTIRIS	Department of Primary Industries	12. Occupational (eg required to practice in professional occupation)	9	236	1,350	176	0.29	226	1.00	0.00	0.07	0.11	0.20	0.38	0.69	<0.5		
Marine Pilotage Exemption Certificate	Transport for NSW	Sydney Ports Corporation	14. Private transport	6	245	1,200	177	0.53	73	0.50	0.50	0.28	0.11	0.80	0.96	0.53	<0.5		
Gas Distributor's licence (LPG)	DPC	IPART	5. Electricity, gas or water	5	247	1,000	178	0.53	71	0.00	1.00	0.33	0.83	0.00	1.00	1.22	<0.5		
Surface water permit	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	52	199	252	179	0.55	61	0.50	0.25	0.33	0.67		1.00	0.97	<0.5		
Registration of Firearms	AGD	NSW Police Force	7. Firearms/weapons	771,636	5	-	180	0.55	64	0.00	0.75	0.44	0.78	0.40	0.92	0.55	-	✓	✓
Drivers Licence - Rider	Transport for NSW	Roads and Maritime Services	14. Private transport	525,002	6	-	180	0.52	75	1.00	0.50	0.56	0.00	0.20	0.88	0.52	-		✓
Registration as a worker (building and construction)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	297,246	11	-	180	0.38	159	0.00	0.50	0.33	0.67	0.20	0.56	0.89	-		
Drivers Licence - Heavy Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	202,892	18	-	180	0.50	85	1.00	0.50	0.56	0.00	0.20	0.75	0.50	-		✓
Registration of Births in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	96,856	22	-	180	0.30	224	0.00	0.00	0.44	0.33	0.00	1.00	0.30	-		
Application to admission as JP	AGD	Department level licence	13. Other	87,409	25	-	180	0.43	121	0.00	1.00	0.19	1.00	0.00	0.42	0.43	-		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)						
Working with Children Check (Commission for Children and Young People Checking Agency only)	Education and Communities <sup>d</sup>	Office of Communities <sup>d</sup>	1. Ageing, disability or children	85,479	26	-	180	0.51	78	1.00	0.00	0.43	0.50	0.20	0.96	0.63	-	✓	✓			
Registration of Deaths in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	49,721	34	-	180	0.22	251	0.00	0.00	0.44		0.00	0.67	0.22	-					
Registration of Marriages in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	42,041	35	-	180	0.22	251	0.00	0.00	0.44		0.00	0.67	0.22	-					
Security Industry - Class 1 Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	31,829	41	-	180	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	-	✓				
Certificate of Registration as a Real estate Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	18,985	48	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	✓			
Owner Builder Permit	DFS	NSW Fair Trading	15. Residential or commercial works	17,569	49	-	180	0.41	141			0.50	0.33	0.20	0.61	0.70	-	✓	✓			
Real Estate Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	17,446	50	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	✓			
Authority to Prescribe a Drug of Addiction	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	9,680	60	-	180	0.32	193	0.00	0.00	0.12	0.67	0.20	0.96	0.38	-	✓				
Security Industry - Class 2 Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	7,171	68	-	180	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	-	✓				
Accreditation as an Authorised Identifier	DPC	Division of Local Government	13. Other	5,782	71	-	180	0.58	46		0.50	0.33			0.92	0.58	-					
Corporation Licence	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	5,772	72	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓				

<sup>J</sup> Initial 269 ‘significant’ licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD \$(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)						
Certificate of Registration as a Registered Manager	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	5,479	73	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓				
Security Industry - Provisional Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	5,049	76	-	180	0.39	153	1.00	0.00	0.05	0.33	0.00	0.96	0.93	-	✓				
Approval to undertake authorised work	DTIRIS	Department of Primary Industries	11. Mining	4,504	79	-	180	0.63	20				0.25		1.00	0.97	-					
Mineral Claim	DTIRIS	Division of Resources and Energy	11. Mining	4,024	81	-	180	0.34	181	0.00	0.00	0.13	0.67	0.40	0.88	0.53	-					
Certificate of Registration as a Stock and Station Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,616	84	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓				
Authority to Keep, Use and Operate Gaming Machines (Hotels and Clubs)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	3,518	85	-	180	0.56	59	1.00	0.00	0.33	1.00	0.00	1.00	0.71	-					
Certificate of Registration as a Business Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,476	86	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓				
Registration for home schooling	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	2,936	91	-	180	0.35	177	0.50	0.50	0.28		0.00	0.46	0.42	-					
Commercial Agent and Private Inquiry Agent - Operator Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	2,905	92	-	180	0.31	218	0.00	0.00	0.13	0.56	0.20	0.96	0.73	-	✓				
Stock and Station Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional	2,796	93	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓				

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)						
Business Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	2,395	100	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓				
Strata Managing Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	1,533	113	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓				
Asbestos and Demolition licence	DFS	WorkCover NSW	15. Residential or commercial works	1,516	115	-	180	0.26	238	0.00	0.00	0.26	0.67	0.20	0.46	0.45	-					
Club Licence (Liquor)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,421	119	-	180	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	-	✓				
Registration of Item of Plant licence	DTIRIS	Division of Resources and Energy	11. Mining	1,285	121	-	180	0.52	74	1.00	0.00	0.33	0.44	0.40	0.96	0.81	-					
Commercial Agent and Private Inquiry Agent - Master Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	1,233	125	-	180	0.31	215	0.00	0.00	0.17	0.56	0.20	0.96	0.74	-	✓				
Accreditation of training facilities	NSW Ministry of Health	Health Education Training Institute NSW	9. Health or pharmaceutical	1,230	126	-	180	0.35	172	0.50	0.00	0.56	0.11	0.00	0.96	0.41	-					
Exploration Licences (minerals other than coal)	DTIRIS	Division of Resources and Energy	11. Mining	1,221	127	-	180	0.34	185	0.00	0.00	0.13	0.67	0.40	0.83	0.52	-					
Registration of non-government schools	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	925	131	-	180	0.39	155	0.00	0.50	0.29		0.80	0.33	0.47	-					
Paint-ball Gun Permit	AGD	NSW Police Force	7. Firearms/weapons	820	134	-	180	0.49	87	0.00	0.50	0.61	0.78	0.20	0.88	0.49	-	✓				
Employee authority for a Firearms Dealer	AGD	NSW Police Force	7. Firearms/weapons	807	136	-	180	0.45	111	0.00	0.50	0.33	0.78	0.20	0.92	0.45	-	✓				

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Authority to prescribe drug of addiction Clause 84(2)	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	706	139	-	180	0.26	239	0.00	0.00	0.15		0.20	0.96	0.31	-		
Accreditation of non-government schools for the Record of School Achievement and Higher School Certificate	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	396	149	-	180	0.35	173	0.00	0.50	0.29		0.60	0.38	0.43	-		
Approval of participate in needle exchange program	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	339	152	-	180	0.64	17	1.00	1.00	0.23	0.11	0.60	0.89	0.75	-		
Licence to Practice - Signal Electrician	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	331	154	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		
Authorised Health Professional	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	295	158	-	180	0.29	227	0.00	0.25	0.20		0.00	1.00	0.50	-		
Hire and Drive Licence	Transport for NSW	Roads and Maritime Services	14. Private transport	247	161	-	180	0.39	152	1.00	0.00	0.00	0.33	0.40	0.61	0.39	-		
Registration of Community Housing Providers	NSW Department of Family and Community Services	Housing NSW	13. Other	231	162	-	180	0.38	158	1.00	0.00	0.10		0.20	0.58	0.38	-		
Coal Exploration Licence	DTIRIS	Division of Resources and Energy	11. Mining	189	166	-	180	0.43	123	0.00	0.00	0.09	0.67	1.00	0.83	0.67	-		
Voluntary Out of Home Care - agency registration	Education and Communities <sup>d</sup>	Office of Communities <sup>d</sup>	1. Ageing, disability or children	149	170	-	180	0.48	99	1.00	0.00	0.33		0.40	0.67	0.58	-		
Registration of an Aboriginal Housing Organisation	NSW Department of Family and Community Services	NSW Aboriginal Housing Office	13. Other	133	173	-	180	0.35	176	0.50	0.00	0.10		0.20	0.94	0.35	-		
Marine park permit - commercial	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	119	175	-	180	0.48	103	0.50	0.25	0.33	0.67	0.40	0.71	0.86	-		
Licence to Practice - Signal Mechanical	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	114	177	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		

<sup>J</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3									‘Top 40’ priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	
Authorisation to Practice - Signals Authorised Person	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	113	178	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		
On-site Residential Property Manager	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	107	180	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Authority to supply therapeutic substances for veterinary use	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	100	184	-	180	0.55	60	1.00	0.50	0.27		0.00	1.00	0.65	-		
Children's Service Licence <sup>f</sup>	Education and Communities	Office of Education	1. Ageing, disability or children	98	185	-	180	0.41	134	1.00	0.50	0.03	0.11	0.40	0.44	0.50	-		
Registration as an industrial organisation	AGD	Industrial Relations Commission of NSW	2. Business registration	96	187	-	180	0.31	220	0.00	0.50	0.39	0.00	0.40	0.56	0.31	-		
Licence to Practice - Signal Engineer (Field)	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	91	188	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-		
Weapons Dealer Permit	AGD	NSW Police Force	7. Firearms/weapons	69	191	-	180	0.48	96	0.00	1.00	0.20	0.78	0.00	0.92	0.48	-	✓	
Network Authorisation - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	65	192	-	180	0.40	147	0.00	0.00	0.15	0.83	1.00	0.42	0.69	-		
Exemptions Granted	AGD	Anti-Discrimination Board	13. Other	62	194	-	180	0.41	139	0.00	0.50	0.58	0.78	0.20	0.42	0.41	-		
Accreditation as a Designated Agency - Out-of-Home Care	Education and Communities <sup>d</sup>	Office of Communities <sup>d</sup>	1. Ageing, disability or children	60	196	-	180	0.25	243	0.00	0.00	0.13		0.40	0.71	0.30	-		
Onshore Petroleum Exploration Licence	DTIRIS	Division of Resources and Energy	11. Mining	49	201	-	180	0.51	83	0.50	0.00	0.13	0.67	1.00	0.75	0.79	-		
Water and Sewer Designer Accreditation	Other	Hunter Water Corporation	5. Electricity, gas or water	35	206	-	180	0.68	4	1.00	0.75	0.33		0.60	0.71	1.19	-		
Planning Approval - capital works program & operations	Other	Hunter Water Corporation	15. Residential or commercial works	25	213	-	180	0.33	188	0.00	0.00	0.15		0.60	0.92	0.56	-		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Licence to operate a residential centre for handicapped persons <sup>9</sup>	NSW Department of Family and Community Services	Ageing, Disability and Home Care	1. Ageing, disability or children	23	215	-	180	0.61	27	1.00	1.00	0.21	0.17	0.60	0.67	0.74	-				
Licence to conduct anatomical examinations	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	23	215	-	180	0.47	105	0.00		0.33	0.67	0.40	0.96	0.55	-				
Mental Health Facility Licence	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	22	218	-	180	0.43	125		0.00	0.00	0.22	1.00	0.92	0.50	-				
Exemptions from closed trading days	NSW Treasury	NSW Industrial Relations	13. Other	22	218	-	180	0.34	183		0.50	0.21	0.67	0.00	0.33	0.34	-				
Marine Pilot Licence	Transport for NSW	Sydney Ports Corporation	6. Environment, plants or animals	20	221	-	180	0.44	119	0.00	0.50	0.28	0.11	0.80	0.96	0.80	-				
Authority to obtain and use schedule 7 poisons	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	19	223	-	180	0.25	242	0.00	0.50	0.12		0.00	0.63	0.29	-				
Air Transport Licence	Transport for NSW	Department level licence	17. Public transport	14	227	-	180	0.38	156	0.00	0.50	0.20	0.67	0.00	0.92	0.65	-				
Registration of an event under Hallmark status	DPC	Department level licence	13. Other	12	228	-	180	0.21	257	0.00	0.00	0.18	0.17	0.00	0.92	0.21	-				
Licence to Practice - Signal Ancillary	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	9	236	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-				
Marine Pilot Licence	Transport for NSW	Port Kembla Port Corporation	14. Private transport	8	239	-	180	0.67	8	1.00		0.00			1.00	0.67	-				
Specialised Insurer's licence	DFS	WorkCover NSW	13. Other	7	241	-	180	0.66	13	0.50	0.50	0.50	0.89	0.60	0.96	0.66	-				
Access Licence	Other	Hunter Water Corporation	3. Culture or recreation	6	245	-	180	0.44	120	0.00	0.00	0.89	0.78	0.20	0.75	0.65	-				
Exploration licence	DTIRIS	Division of Resources and Energy	11. Mining	5	247	-	180	0.44	117	0.00		0.00	0.78		1.00	0.69	-				
Approval of a State Funeral	DPC	Department level licence	13. Other	5	247	-	180	0.25	241	0.00	0.00	0.00			1.00	0.25	-				
Skin Dealers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	6. Environment, plants or animals	4	250	-	180	0.59	43	1.00	0.50	0.50	0.11	0.40	1.00	1.06	-				
Operating licence	DPC	IPART	5. Electricity, gas or water	4	250	-	180	0.31	216	0.00	0.00	0.39		0.20	0.96	0.54	-				
Accreditation of Adoption Service Providers	Education and Communities <sup>d</sup>	Office of Communities <sup>d</sup>	1. Ageing, disability or children	3	252	-	180	0.29	231	0.00	0.00	0.33		0.40	0.71	0.35	-				

<sup>9</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD \$(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Casino Licence	DTIRIS	Independent Liquor and Gaming Authority	10. Liquor, gaming or racing	1	256	-	180	0.73	1	1.00	1.00	0.15	0.78	0.80	0.63	0.93	-				
Mining licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-				
Pipeline licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-				
Production licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-				
Exploration permits and renewal	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.54	66	0.50		0.00	0.67		1.00	0.84	-				
Coal Seam Gas Exploration Licences	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.51	82	0.50	0.00	0.09	0.67	1.00	0.79	0.79	-				
Petroleum Special Prospecting Authorities	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.48	101	1.00	0.00	0.13	0.67	0.20	0.88	0.74	-				
Retention licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.42	132	0.00		0.00	0.67		1.00	0.65	-				
Works licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.42	132	0.00		0.00	0.67		1.00	0.65	-				
Authorisation to carry out commercial and other activities at major event venue or facility	DPC	Department level licence	13. Other	-	260	-	180	0.33	189	0.00		0.00			1.00	0.33	-				

**a** This licence no longer exists – it was replaced by the ‘Approval for an education and childcare service – centre based care’, concurrent with the implementation of the National Quality Framework in January 2012.

**b** Since 1 July 2013, responsibility for this licence has been transferred to the Federal regulator – the Australian Energy Regulator.

**c** The number of Bore Water Licences has declined significantly (to approximately 1,750 licences) since our licence survey was conducted, following reforms to modernise the legislative framework for how water licences are managed in NSW.

**d** This licence is administered by the Office of the Children’s Guardian which now is a division of the NSW Department of Family and Community Services.

**e** This licence no longer exists – the commencement of the Entertainment Industry Act 2013 (NSW) (on 2 March 2014) has abolished the ‘Entertainment Industry Representative’s Licence’.

**f** This licence no longer exists – it was part of the regulatory framework that existed in NSW before the introduction of the National Quality Framework in January 2012.

**g** This licence’s name has been changed as a result of legislation changes in 2013 to ‘Authorisation to operate an assisted boarding house’ under the *Boarding Houses Act 2012* (NSW).

**Notes:**

1. The licence types presented in this table are ranked first by licence revenue, then by licence numbers, then by policy score. ‘Licence numbers’ refers to the greatest of the number of new, renewed or in force reported by the department/agency for each licence type. ‘Licence revenue’ refers to the greatest of the sum of application, renewal and processing fees; and the total revenue reported by the department/agency for each licence type.

2. The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

J Initial 269 ‘significant’ licences – policy scores, multiplier and estimated gains from reform

Table J.3 Initial 269 ‘significant’ licences – ranked by policy score

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3						Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	‘Top 40’ priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting						
Casino Licence	DTIRIS	Independent Liquor and Gaming Authority	10. Liquor, gaming or racing	1	256	-	180	0.73	1	1.00	1.00	0.15	0.78	0.80	0.63	0.93	-		
Authorisation of Level 1 and Level 2 Accredited Service providers to carry out contestable work on or near the distribution network.	DTIRIS	Ausgrid	5. Electricity, gas or water	1,465	117	233,935	88	0.69	2	1.00	0.50	0.44	0.67	0.60	0.92	1.21	<0.5	✓	
Products Licence (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	29	210	5,485	165	0.68	3	1.00	0.50	0.78	0.11		1.00	1.23	<0.5		
Water and Sewer Designer Accreditation	Other	Hunter Water Corporation	5. Electricity, gas or water	35	206	-	180	0.68	4	1.00	0.75	0.33		0.60	0.71	1.19	-		
Pharmacy Registration and Renewal	NSW Ministry of Health	Health Professional Councils Authority	9. Health or pharmaceutical	1,805	111	552,500	62	0.68	5	1.00	1.00	0.24	0.33	0.60	0.88	0.79	<0.5		✓
Registered Fish Receiver	DTIRIS	Department of Primary Industries	2. Business registration	151	168	307,483	81	0.67	6	1.00	1.00	0.39	0.33	0.40	0.92	0.67	<0.5		
Operator Accreditation - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	5,242	74	2,193,900	28	0.67	7	1.00	1.00	0.33	0.83	0.80	0.06	1.15	2.5 - 5		✓
Marine Pilot Licence	Transport for NSW	Port Kembla Port Corporation	14. Private transport	8	239	-	180	0.67	8	1.00		0.00			1.00	0.67	-		
Mining licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-		
Pipeline licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-		
Production licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.67	8	1.00		0.00	0.67		1.00	1.04	-		
Chiller premise registration	DPC	Office of Environment and Heritage	6. Environment, plants or animals	150	169	48,600	128	0.66	12	1.00	0.75	0.75	0.00	0.60	0.88	1.20	<0.5		
Self-insurer's licence	DFS	WorkCover NSW	13. Other	59	197	30,000	139	0.66	13	0.50	0.50	0.50	0.89	0.60	0.96	0.66	<0.5		
Specialised Insurer's licence	DFS	WorkCover NSW	13. Other	7	241	-	180	0.66	13	0.50	0.50	0.50	0.89	0.60	0.96	0.66	-		

Initial 269 ‘significant’ licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Dangerous Goods Bulk Vehicle Licence	DPC	Environment Protection Authority	4. Dangerous goods	435	147	39,411	131	0.65	15	1.00	0.75	0.39	0.67	0.20	0.88	1.15	<0.5		
Fauna Dealer's Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	11	232	56,815	122	0.64	16	1.00	0.75	0.58	0.11	0.40	1.00	1.16	<0.5		
Approval of participate in needle exchange program	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	339	152	-	180	0.64	17	1.00	1.00	0.23	0.11	0.60	0.89	0.75	-		
Agistment Licence	DPC	Department of Planning and Infrastructure	6. Environment, plants or animals	29	210	69,338	119	0.64	18	1.00	0.00	0.67	0.56		0.96	1.15	<0.5		
Driver Authority - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	24,053	43	1,033,820	47	0.63	19	0.50	0.75	0.39	0.83	1.00	0.33	1.09	0.5 - 2.5	✓	
Approval to undertake authorised work	DTIRIS	Department of Primary Industries	11. Mining	4,504	79	-	180	0.63	20			0.25			1.00	0.97	-		
Retail electricity distributor's licence	DPC	IPART	5. Electricity, gas or water	3	252	110,000	106	0.62	21	1.00	0.00	0.50	1.00	0.40	0.83	1.09	<0.5		
Retail Supplier's Licence (Water)	DPC	IPART	5. Electricity, gas or water	9	236	10,000	156	0.62	22	1.00	0.50	0.33	0.56	0.40	0.92	1.08	<0.5		
Bore licences Water Act 1912 only <sup>a</sup>	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	32,630	40	312,933	80	0.62	23	0.00	1.00	0.67	0.67	0.40	0.96	1.08	<0.5	✓	
Occupiers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	6. Environment, plants or animals	4,336	80	496,600	66	0.61	24	1.00	0.75	0.67	0.11	0.20	0.94	1.11	0.5 - 2.5	✓	
Timber Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	40	205	7,630	159	0.61	24	1.00	0.25	0.78	0.44	0.20	1.00	1.11	<0.5		
Kangaroo Harvesters Licence	DPC	Office of Environment and Heritage	6. Environment, plants or animals	443	146	374,700	74	0.61	26	1.00	0.25	0.50	0.11	0.80	1.00	1.11	<0.5		
Licence to operate a residential centre for handicapped persons <sup>b</sup>	NSW Department of Family and Community Services	Ageing, Disability and Home Care	1. Ageing, disability or children	23	215	-	180	0.61	27	1.00	1.00	0.21	0.17	0.60	0.67	0.74	-		
Public Accommodation Licence	DPC	Office of Environment and Heritage	13. Other	19	223	259,600	85	0.60	28	1.00	0.25	0.22	0.44	0.80	0.92	0.60	<0.5		
Licence to Establish or Maintain an Apiary on a Reserve	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,263	123	82,364	113	0.60	29	1.00	0.25	0.50	0.67	0.20	1.00	1.09	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Charter Fishing Boat Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	219	163	192,726	98	0.60	30	1.00	0.25	0.41	0.56	0.40	1.00	1.09	<0.5		
Aquaculture permit	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	555	141	12,372	154	0.60	31	1.00	0.00	0.67	0.22	0.80	0.92	1.09	<0.5		
Certificate of Registration as a Real estate Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	18,985	48	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	✓
Real Estate Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	17,446	50	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	✓
Corporation Licence	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	5,772	72	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Certificate of Registration as a Registered Manager	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	5,479	73	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Certificate of Registration as a Stock and Station Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,616	84	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Certificate of Registration as a Business Salesperson	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	3,476	86	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Stock and Station Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	2,796	93	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	
Business Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	2,395	100	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓	

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)				
Strata Managing Agent	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	1,533	113	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓		
On-site Residential Property Manager	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	107	180	-	180	0.59	32	1.00	1.00	0.00			0.38	1.41	-	✓		
Natural Gas Retail Suppliers authorisation <sup>c</sup>	DPC	IPART	5. Electricity, gas or water	20	221	520,600	63	0.59	42	0.00	1.00	0.33	0.89	0.40	0.92	1.04	0.5 - 2.5			
Skin Dealers Licence (Protected Fauna)	DPC	Office of Environment and Heritage	6. Environment, plants or animals	4	250	-	180	0.59	43	1.00	0.50	0.50	0.11	0.40	1.00	1.06	-			
Permit to Conduct Paint-Ball Games	AGD	NSW Police Force	7. Firearms/weapons	49	201	6,000	163	0.58	44	0.00	1.00	0.61	0.78	0.20	0.92	0.58	<0.5	✓		
Commercial Fishing Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,274	122	358,715	77	0.58	45	1.00	0.25	0.41	0.44	0.40	1.00	1.06	<0.5			
Accreditation as an Authorised Identifier	DPC	Division of Local Government	13. Other	5,782	71	-	180	0.58	46		0.50	0.33			0.92	0.58	-			
Licence to Practice - Signal Electrician	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	331	154	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-			
Licence to Practice - Signal Mechanical	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	114	177	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-			
Authorisation to Practice - Signals Authorised Person	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	113	178	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-			
Licence to Practice - Signal Engineer (Field)	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	91	188	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-			
Licence to Practice - Signal Ancillary	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	9	236	-	180	0.58	47	1.00	0.75	0.00	0.78	0.00	0.96	1.00	-			
Forest Materials Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	12	228	1,920	174	0.57	52	1.00	0.50	0.39	0.33	0.20	1.00	1.03	<0.5			

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Appointment as a public notary	AGD	Legal Profession Admission Board	12. Occupational (eg required to practice in professional occupation)	874	132	26,400	144	0.57	53	1.00	1.00	0.13	0.33	0.00	0.96	1.35	<0.5		
Snowy water licence for Snowy Hyrdo Co	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	1	256	53,486	126	0.57	54	1.00	0.00	0.33	0.50		1.00	0.99	<0.5		
Natural Gas Reticulator's Authorisation	DPC	IPART	5. Electricity, gas or water	7	241	516,000	64	0.56	55	0.00	1.00	0.50	0.89	0.00	1.00	0.99	0.5 - 2.5		✓
Insurer's licence	DFS	Motor Accidents Authority	13. Other	11	232	80,000	116	0.56	56	1.00	0.00	0.23	0.78	0.60	0.75	0.56	<0.5		
Aquaculture Lease	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	2,361	101	94,581	112	0.56	57	1.00	0.00	0.61	0.22	0.80	0.71	1.01	<0.5		
Driver Authority - Bus	Transport for NSW	Roads and Maritime Services	17. Public transport	28,218	42	717,150	56	0.56	58	0.50	0.50	0.44	0.56	1.00	0.33	0.96	0.5 - 2.5		✓
Authority to Keep, Use and Operate Gaming Machines (Hotels and Clubs)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	3,518	85	-	180	0.56	59	1.00	0.00	0.33	1.00	0.00	1.00	0.71	-		
Authority to supply therapeutic substances for veterinary use	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	100	184	-	180	0.55	60	1.00	0.50	0.27		0.00	1.00	0.65	-		
Surface water permit	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	52	199	252	179	0.55	61	0.50	0.25	0.33	0.67		1.00	0.97	<0.5		
Leases	Education and Communities	Department level licence	1. Ageing, disability or children	10	234	99,815	111	0.55	62	1.00	0.50	0.08	0.11	0.60	1.00	0.67	<0.5		
Joint Use Licence Agreements	Education and Communities	Department level licence	1. Ageing, disability or children	3	252	15,201	149	0.55	62	1.00	0.50	0.08	0.11	0.60	1.00	0.67	<0.5		
Registration of Firearms	AGD	NSW Police Force	7. Firearms/weapons	771,636	5	-	180	0.55	64	0.00	0.75	0.44	0.78	0.40	0.92	0.55	-	✓	✓
Permit to Acquire Firearms (PTA)	AGD	NSW Police Force	7. Firearms/weapons	62,789	29	1,437,840	38	0.55	65	1.00	0.50	0.56	0.78	0.20	0.25	0.55	0.5 - 2.5	✓	✓
Exploration permits and renewal	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.54	66	0.50		0.00	0.67		1.00	0.84	-		
Commercial Fishing Boat Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,964	108	345,459	78	0.54	67	1.00	0.25	0.32	0.44	0.20	1.00	0.97	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3									Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)					
Firearms permit (includes for Museum, Heirloom, High Calibre Pistol, Pistol Permit, Purchase a Non-Prohibited Firearm on Leaving Australia, Security Firm Employee, Silencer - Firearm with silencer, Starting Pistol and Storage of Firearms in NSW)	AGD	NSW Police Force	7. Firearms/weapons	297	156	361,500	76	0.53	68	0.00	1.00	0.56	0.78	0.00	0.88	0.53	<0.5	✓			
Minor Water Supply Consumer Agreement	Other	Cobar Water Board	5. Electricity, gas or water	45	203	3,800	170	0.53	69	0.00	1.00	0.38	0.33		0.96	0.94	<0.5				
Special Purpose Permit (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	466	144	26,724	143	0.53	70	1.00	0.25	0.39	0.33	0.20	1.00	0.96	<0.5				
Gas Distributor's licence (LPG)	DPC	IPART	5. Electricity, gas or water	5	247	1,000	178	0.53	71	0.00	1.00	0.33	0.83	0.00	1.00	1.22	<0.5				
Entertainment Industry Representative's Licence <sup>d</sup>	NSW Treasury	NSW Industrial Relations	12. Occupational (eg required to practice in professional occupation)	431	148	100,200	110	0.53	72	1.00	0.50	0.03	0.67	0.00	0.96	1.25	<0.5	✓			
Marine Pilotage Exemption Certificate	Transport for NSW	Sydney Ports Corporation	14. Private transport	6	245	1,200	177	0.53	73	0.50	0.50	0.28	0.11	0.80	0.96	0.53	<0.5				
Registration of Item of Plant licence	DTIRIS	Division of Resources and Energy	11. Mining	1,285	121	-	180	0.52	74	1.00	0.00	0.33	0.44	0.40	0.96	0.81	-				
Drivers Licence - Car	Transport for NSW	Roads and Maritime Services	14. Private transport	4,432,276	2	106,662,630	4	0.52	75	1.00	0.50	0.56	0.00	0.20	0.88	0.52	50 - 100	✓	✓		
Drivers Licence - Rider	Transport for NSW	Roads and Maritime Services	14. Private transport	525,002	6	-	180	0.52	75	1.00	0.50	0.56	0.00	0.20	0.88	0.52	-		✓		
Special Employee's Licence	DTIRIS	Independent Liquor and Gaming Authority	10. Liquor, gaming or racing	2,605	96	460,850	69	0.51	77	0.00	1.00	0.33	0.56	0.20	1.00	0.66	<0.5				
Working with Children Check (Commission for Children and Young People Checking	Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	1. Ageing, disability or children	85,479	26	-	180	0.51	78	1.00	0.00	0.43	0.50	0.20	0.96	0.63	-	✓	✓		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)				
Agency only)																				
Firearm Dealer/ Club Armourer Licence	AGD	NSW Police Force	7. Firearms/weapons	607	140	31,400	138	0.51	79	0.00	0.50	0.48	0.78	0.40	0.92	0.51	<0.5	✓		
NSW Photo ID Card	Transport for NSW	Roads and Maritime Services	14. Private transport	304,080	9	3,088,827	21	0.51	80	1.00		0.56	0.00	0.00	1.00	0.51	0.5 - 2.5		✓	
Network Operator Licence	DPC	IPART	5. Electricity, gas or water	10	234	42,000	130	0.51	80	1.00	0.00	0.44	0.56	0.40	0.67	0.90	<0.5			
Coal Seam Gas Exploration Licences	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.51	82	0.50	0.00	0.09	0.67	1.00	0.79	0.79	-			
Onshore Petroleum Exploration Licence	DTIRIS	Division of Resources and Energy	11. Mining	49	201	-	180	0.51	83	0.50	0.00	0.13	0.67	1.00	0.75	0.79	-			
Child Employment - Employers Authority	Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	1. Ageing, disability or children	263	160	210,342	93	0.51	84	1.00	0.50	0.15	0.78	0.00	0.61	0.62	<0.5	✓		
Drivers Licence - Heavy Rigid	Transport for NSW	Roads and Maritime Services	14. Private transport	202,892	18	-	180	0.50	85	1.00	0.50	0.56	0.00	0.20	0.75	0.50	-		✓	
Dangerous Goods Driver Licence	DPC	Environment Protection Authority	4. Dangerous goods	7,849	65	100,605	109	0.49	86	0.00	0.75	0.39	0.67	0.20	0.96	0.88	<0.5		✓	
Paint-ball Gun Permit	AGD	NSW Police Force	7. Firearms/weapons	820	134	-	180	0.49	87	0.00	0.50	0.61	0.78	0.20	0.88	0.49	-	✓		
Water Access Licence: Driller's Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	320	155	80,757	115	0.49	88	0.50	0.50	0.61	0.89	0.00	0.46	0.89	<0.5			
On-Premises Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	8,020	64	245,000	87	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5		✓	
Packaged Liquor Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,127	104	189,000	99	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5			
Hotel Licence (Liquor) - Full hotel	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2,097	105	6,000	163	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5	✓		
Producer/Wholesale Liquor Licence	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,941	109	56,500	123	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	<0.5			
Club Licence (Liquor)	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,421	119	-	180	0.49	89	1.00	0.50	0.25	0.44	0.00	0.75	0.63	-	✓		
Retail electricity supplier's licence <sup>c</sup>	DPC	IPART	5. Electricity, gas or water	30	209	655,000	59	0.49	94		0.75	0.50	0.56	0.20	0.92	0.86	0.5 - 2.5			

<sup>c</sup> Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)						
Licence to Conduct Public Lotteries	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	2	255	338,000,000	2	0.49	95	1.00	0.25	0.09	0.17	0.40	1.00	0.62	>100					
Weapons Dealer Permit	AGD	NSW Police Force	7. Firearms/weapons	69	191	-	180	0.48	96	0.00	1.00	0.20	0.78	0.00	0.92	0.48	-	✓				
Recreational Fishing Fee	DTIRIS	Department of Primary Industries	3. Culture or recreation	267,518	13	13,400,000	8	0.48	97	0.50	0.00	0.67	0.78	0.20	0.75	0.71	5 - 10	✓	✓			
Plant Health Certificates	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	7,755	66	218,577	91	0.48	98	0.00	0.75	0.51	0.67	0.00	0.96	0.87	<0.5		✓			
Voluntary Out of Home Care - agency registration	Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	1. Ageing, disability or children	149	170	-	180	0.48	99	1.00	0.00	0.33		0.40	0.67	0.58	-					
General Commercial Game Hunting Licence	DTIRIS	Department of Primary Industries	12. Occupational (eg required to practice in professional occupation)	26	212	6,500	162	0.48	100	1.00	0.75	0.22	0.33	0.20	0.38	1.14	<0.5					
Animal Supply	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	44	204	1,750	175	0.48	101	1.00	0.00	0.39	0.67	0.60	0.21	0.87	<0.5					
Petroleum Special Prospecting Authorities	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.48	101	1.00	0.00	0.13	0.67	0.20	0.88	0.74	-					
Surface water licence	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	2,416	98	389,229	73	0.48	103	0.00	0.00	0.83	0.67	0.40	0.96	0.84	<0.5					
Marine park permit - commercial	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	119	175	-	180	0.48	103	0.50	0.25	0.33	0.67	0.40	0.71	0.86	-					
Licence to conduct anatomical examinations	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	23	215	-	180	0.47	105	0.00		0.33	0.67	0.40	0.96	0.55	-					
Domestic Waterfront Tenancy	DTIRIS	Department of Primary Industries	13. Other	35	206	12,532	153	0.47	106	1.00	0.75	0.07	0.00	0.00	1.00	0.47	<0.5					
Registration of a Commercial or Recreational Vessel	Transport for NSW	Roads and Maritime Services	14. Private transport	226,634	16	24,730,938	6	0.47	107	1.00	0.00	0.33	0.33		0.67	0.47	10 - 25		✓			
Permit to Conduct a Lottery-Trade Promotion - single promotion	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	11,942	58	895,650	51	0.46	108	0.00	1.00	0.50	0.33	0.20	0.75	0.59	0.5 - 2.5	✓	✓			
Registration of a Light Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	5,555,737	1	#####	1	0.46	109	1.00	0.25	0.44	0.11	0.60	0.33	0.46	>100	✓	✓			

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3							Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.					
Home Building licences	DFS	NSW Fair Trading	12. Occupational (eg required to practice in professional occupation)	179,918	20	32,043,599	5	0.46	110	0.50	0.50	0.67	0.33	0.40	0.33	1.08	25 - 50	✓	✓	
Employee authority for a Firearms Dealer	AGD	NSW Police Force	7. Firearms/weapons	807	136	-	180	0.45	111	0.00	0.50	0.33	0.78	0.20	0.92	0.45	-	✓		
Authorised Buyers Licences	Other	Rice Marketing Board for the State of New South Wales	6. Environment, plants or animals	7	241	399,863	72	0.45	112	1.00	0.25	0.08	0.00	0.40	1.00	0.82	<0.5			
Land surveyor	DFS	Board of Surveying and Spatial Information	12. Occupational (eg required to practice in professional occupation)	963	130	402,658	71	0.45	113	1.00	0.50	0.00	0.33	0.20	0.67	1.07	<0.5			
Schedule 8 supply licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	199	165	35,670	134	0.45	113	1.00	0.00	0.05	0.33	0.40	0.92	0.53	<0.5			
Mine surveyor	DFS	Board of Surveying and Spatial Information	12. Occupational (eg required to practice in professional occupation)	98	185	39,326	132	0.45	113	1.00	0.50	0.00	0.33	0.20	0.67	1.07	<0.5			
Operator Accreditation - Bus	Transport for NSW	Roads and Maritime Services	17. Public transport	2,064	106	366,928	75	0.45	116	0.50	0.00	0.33	0.56	1.00	0.29	0.77	<0.5			
Exploration licence	DTIRIS	Division of Resources and Energy	11. Mining	5	247	-	180	0.44	117	0.00		0.00	0.78		1.00	0.69	-			
Conditional Registration	Transport for NSW	Roads and Maritime Services	14. Private transport	77,172	27	2,173,234	29	0.44	118	1.00	0.00	0.40	0.00	0.80	0.46	0.44	0.5 - 2.5		✓	
Marine Pilot Licence	Transport for NSW	Sydney Ports Corporation	6. Environment, plants or animals	20	221	-	180	0.44	119	0.00	0.50	0.28	0.11	0.80	0.96	0.80	-			
Access Licence	Other	Hunter Water Corporation	3. Culture or recreation	6	245	-	180	0.44	120	0.00	0.00	0.89	0.78	0.20	0.75	0.65	-			
Application to Minister for admission as JP	AGD	Department level licence	13. Other	87,409	25	-	180	0.43	121	0.00	1.00	0.19	1.00	0.00	0.42	0.43	-			
Registration of a Heavy Vehicle	Transport for NSW	Roads and Maritime Services	14. Private transport	215,470	17	264,198,492	3	0.43	122	1.00	0.00	0.35	0.11	0.80	0.33	0.43	2.5 - 5		✓	
Coal Exploration Licence	DTIRIS	Division of Resources and Energy	11. Mining	189	166	-	180	0.43	123	0.00	0.00	0.09	0.67	1.00	0.83	0.67	-			

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Heavy Vehicle Permit	Transport for NSW	Roads and Maritime Services	14. Private transport	22,457	44	1,616,904	34	0.43	124	1.00	0.00	0.56	0.22	0.00	0.79	0.43	0.5 - 2.5		✓
Mental Health Facility Licence	NSW Ministry of Health	Department level licence	9. Health or pharmaceutical	22	218	-	180	0.43	125		0.00	0.00	0.22	1.00	0.92	0.50	-		
Driving Instructors Licence	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	3,965	83	136,206	102	0.42	126	0.00	0.50	0.33	0.56	0.20	0.96	1.01	<0.5		
Schedule 2 Retail licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	103	183	7,725	158	0.42	127	1.00	0.00	0.05	0.33	0.20	0.96	0.50	<0.5		
Radiation User Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	13,101	56	1,089,667	46	0.42	128	0.50	0.75	0.21	0.00	0.20	0.88	0.77	0.5 - 2.5		✓
Vehicle Licence - Private Hire Vehicle (hire car)	Transport for NSW	Roads and Maritime Services	17. Public transport	1,367	120	8,299,003	11	0.42	129	0.00	0.50	0.78	0.67	0.20	0.38	0.72	5 - 10		
Provider Approval	Education and Communities	Office of Education	1. Ageing, disability or children	2,767	94	12,800	152	0.42	130	1.00	0.50	0.06	0.11	0.40	0.44	0.51	<0.5		
Mobility Parking Scheme Permit - Individual	Transport for NSW	Roads and Maritime Services	14. Private transport	315,027	8	924,727	49	0.42	131	0.50	0.50	0.28	0.22	0.00	1.00	0.42	<0.5		
Retention licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.42	132	0.00		0.00	0.67		1.00	0.65	-		
Works licence	DTIRIS	Division of Resources and Energy	11. Mining	-	260	-	180	0.42	132	0.00		0.00	0.67		1.00	0.65	-		
Children's Service Licence <sup>f</sup>	Education and Communities	Office of Education	1. Ageing, disability or children	98	185	-	180	0.41	134	1.00	0.50	0.03	0.11	0.40	0.44	0.50	-		
Radiation Sell/Possess Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	968	129	69,676	118	0.41	135	0.50	0.75	0.16	0.00	0.20	0.88	0.75	<0.5		
Permit to Exhibit a Prescribed Species of Animal	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	78	189	4,623	168	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		
Animal/Cetacea Display Establishment Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	62	194	60,682	121	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		
Authorisation to Exhibit Animals at Temporary	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	50	200	27,012	142	0.41	136	1.00	0.00	0.47	0.56	0.00	0.46	0.75	<0.5		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.						
Establishments																					
Exemptions Granted	AGD	Anti-Discrimination Board	13. Other	62	194	-	180	0.41	139	0.00	0.50	0.58	0.78	0.20	0.42	0.41	-				
Licences over Land & Housing Corporations Real Property Assets.	DFS	Land and Housing Corporation	15. Residential or commercial works	21	220	610,000	61	0.41	140	0.00	1.00	0.72	0.00	0.00	0.75	0.70	<0.5				
Owner Builder Permit	DFS	NSW Fair Trading	15. Residential or commercial works	17,569	49	-	180	0.41	141			0.50	0.33	0.20	0.61	0.70	-	✓	✓		
Environment Protection Licence	DPC	Environment Protection Authority	6. Environment, plants or animals	2,352	102	16,700,000	7	0.41	142	1.00	0.00	0.44	0.17	0.60	0.25	0.74	10 - 25	✓	✓		
Sole and Exclusive Export Licence	Other	Rice Marketing Board for the State of New South Wales	6. Environment, plants or animals	1	256	200,000	97	0.41	143	0.00	1.00	0.38	0.00	0.20	0.88	0.74	<0.5				
Approval of a Shooting Range	AGD	NSW Police Force	7. Firearms/weapons	340	151	13,400	151	0.41	144	0.00	0.00	0.56	0.78	0.20	0.92	0.41	<0.5	✓			
Operators Licence (Forestry)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,463	118	200,864	96	0.40	145	0.00	0.50	0.39	0.33	0.20	1.00	0.73	<0.5				
Water Use Approvals	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	2,309	103	5,018	166	0.40	146	0.50	0.25	0.23	0.44	0.20	0.79	0.71	<0.5				
Network Authorisation - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	65	192	-	180	0.40	147	0.00	0.00	0.15	0.83	1.00	0.42	0.69	-				
Pipeline Licence	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	1	256	4,500	169	0.40	147	1.00	0.00	0.00	0.00	0.40	1.00	0.70	<0.5				
Registration of companion animal	DPC	Division of Local Government	6. Environment, plants or animals	2,288,849	3	6,118,005	14	0.39	149	0.00	0.00	0.25	0.78		0.94	0.72	2.5 - 5				
Certificate of Local Knowledge	Transport for NSW	Sydney Ports Corporation	14. Private transport	464	145	7,200	160	0.39	150	0.00	1.00	0.28	0.11	0.00	0.96	0.39	<0.5				
Firearms Licence (either for Sport/Target Shooting, Rec hunting/Vermin Control, Primary production, vertebrate Pest Animal Control, Business or Employment, Rural Occupation, Animal	AGD	NSW Police Force	7. Firearms/weapons	194,347	19	5,880,220	15	0.39	151	0.00	0.50	0.41	0.67	0.40	0.38	0.39	0.5 - 2.5	✓			

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)				
Welfare, Firearms Collection)																				
Hire and Drive Licence	Transport for NSW	Roads and Maritime Services	14. Private transport	247	161	-	180	0.39	152	1.00	0.00	0.00	0.33	0.40	0.61	0.39	-			
Security Industry - Provisional Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	5,049	76	-	180	0.39	153	1.00	0.00	0.05	0.33	0.00	0.96	0.93	-	✓		
Registration as a Veterinary Practitioner	Other	Veterinary Practitioners Board of New South Wales	12. Occupational (eg required to practice in professional occupation)	2,693	95	697,028	57	0.39	153	0.00	0.25	0.28	0.33	0.60	0.88	0.93	0.5 - 2.5			
Registration of non-government schools	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	925	131	-	180	0.39	155	0.00	0.50	0.29		0.80	0.33	0.47	-			
Air Transport Licence	Transport for NSW	Department level licence	17. Public transport	14	227	-	180	0.38	156	0.00	0.50	0.20	0.67	0.00	0.92	0.65	-			
Licence to Manufacture or Supply Drugs of Addiction (Supply from private hospitals see Private Health submission)	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	15	226	9,120	157	0.38	157	0.00	0.50	0.44	0.33	0.00	1.00	0.44	<0.5			
Registration of Community Housing Providers	NSW Department of Family and Community Services	Housing NSW	13. Other	231	162	-	180	0.38	158	1.00	0.00	0.10		0.20	0.58	0.38	-			
Registration as a worker (building and construction)	DFS	Long Service Corporation	12. Occupational (eg required to practice in professional occupation)	297,246	11	-	180	0.38	159	0.00	0.50	0.33	0.67	0.20	0.56	0.89	-			
Certificate of Admission as a Lawyer	AGD	Legal Profession Admission Board	12. Occupational (eg required to practice in professional occupation)	1,977	107	786,820	55	0.37	160	0.00	0.75	0.23	0.33	0.00	0.92	0.88	0.5 - 2.5			
Child-related employment certificate	Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	1. Ageing, disability or children	16,786	53	151,396	101	0.37	161	0.50	0.00	0.23	0.33	0.20	0.96	0.45	<0.5			

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Approval for an education and childcare service - service approval - centre based care	Education and Communities	Office of Education	1. Ageing, disability or children	3,401	87	118,800	105	0.37	162	1.00	0.50	0.03	0.11	0.40	0.17	0.45	<0.5		
Trade waste commercial permits	Other	Sydney Water Corporation	5. Electricity, gas or water	17,323	52	1,661,801	33	0.36	163	1.00	0.00	0.13	0.00	0.60	0.46	0.64	0.5 - 2.5		
Aquatic Event Licence	Transport for NSW	Roads and Maritime Services	3. Culture or recreation	814	135	35,917	133	0.36	164	1.00	0.00	0.18	0.33	0.00	0.67	0.54	<0.5		
Learners permit	Transport for NSW	Roads and Maritime Services	14. Private transport	283,174	12	5,257,272	17	0.36	165	0.00	0.50	0.56	0.00	0.20	0.92	0.36	0.5 - 2.5	✓	
Licence to supply drugs of addiction by wholesale	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	104	182	32,310	137	0.36	165	0.00	0.50	0.12	0.56	0.00	1.00	0.42	<0.5		
Licence to supply drug of addiction - OTP clinic	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	12	228	3,420	171	0.36	165	0.00	0.50	0.12	0.56	0.00	1.00	0.42	<0.5		
P2 provisional drivers licence	Transport for NSW	Roads and Maritime Services	14. Private transport	264,954	14	7,036,040	12	0.36	168	0.00	0.50	0.56	0.00	0.20	0.88	0.36	0.5 - 2.5		
P1 provisional Drivers licence	Transport for NSW	Roads and Maritime Services	14. Private transport	145,046	21	5,112,888	18	0.36	168	0.00	0.50	0.56	0.00	0.20	0.88	0.36	0.5 - 2.5		
Dairy Farmer - Cows milk production	DTIRIS	Department of Primary Industries	8. Food	779	137	313,581	79	0.35	170	1.00	0.00	0.08	0.11	0.60	0.33	0.53	<0.5	✓	
Licence for a food premise to produce, process, or store milk or dairy products	DTIRIS	Department of Primary Industries	8. Food	142	172	101,594	108	0.35	170	1.00	0.00	0.08	0.11	0.60	0.33	0.53	<0.5	✓	
Accreditation of training facilities	NSW Ministry of Health	Health Education Training Institute NSW	9. Health or pharmaceutical	1,230	126	-	180	0.35	172	0.50	0.00	0.56	0.11	0.00	0.96	0.41	-		
Accreditation of non-government schools for the Record of School Achievement and Higher School Certificate	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	396	149	-	180	0.35	173	0.00	0.50	0.29		0.60	0.38	0.43	-		
Licence for a food premise to process or store plant products	DTIRIS	Department of Primary Industries	8. Food	55	198	28,943	140	0.35	174	1.00	0.00	0.06	0.11	0.60	0.33	0.52	<0.5	✓	

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Assisted Reproductive Technology Provider Registration	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	12	228	21,240	146	0.35	175	1.00	0.00	0.03	0.11	0.00	0.96	0.41	<0.5		
Registration of an Aboriginal Housing Organisation	NSW Department of Family and Community Services	NSW Aboriginal Housing Office	13. Other	133	173	-	180	0.35	176	0.50	0.00	0.10		0.20	0.94	0.35	-		
Registration for home schooling	Education and Communities	Board of Studies NSW	1. Ageing, disability or children	2,936	91	-	180	0.35	177	0.50	0.50	0.28		0.00	0.46	0.42	-		
Approval of Gaming Equipment	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	10,000	59	1,446,578	37	0.35	178	0.00	0.25	0.50	0.56	0.20	0.58	0.44	0.5 - 2.5		
Club or Commercial Mooring Licence	Transport for NSW	Roads and Maritime Services	17. Public transport	1,241	124	1,167,075	43	0.35	178	1.00	0.00	0.06	0.33	0.20	0.50	0.60	0.5 - 2.5		
Contractors Licence	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	111	179	10,884	155	0.35	178	0.00	0.00	0.44	0.44	0.20	1.00	0.63	<0.5		
Mineral Claim	DTIRIS	Division of Resources and Energy	11. Mining	4,024	81	-	180	0.34	181	0.00	0.00	0.13	0.67	0.40	0.88	0.53	-		
Accreditation as a Railway Operator	Transport for NSW	Independent Transport Safety Regulator	17. Public transport	70	190	51,000	127	0.34	182	1.00	0.00	0.00			0.38	0.59	<0.5		
Exemptions from closed trading days	NSW Treasury	NSW Industrial Relations	13. Other	22	218	-	180	0.34	183		0.50	0.21	0.67	0.00	0.33	0.34	-		
Radiation Registration	DPC	Environment Protection Authority	6. Environment, plants or animals	9,014	61	303,485	82	0.34	184	0.00	0.75	0.13	0.00	0.20	0.96	0.61	<0.5		
Exploration Licences (minerals other than coal)	DTIRIS	Division of Resources and Energy	11. Mining	1,221	127	-	180	0.34	185	0.00	0.00	0.13	0.67	0.40	0.83	0.52	-		
Supervisor certificate	Education and Communities	Office of Education	1. Ageing, disability or children	5,984	70	176,160	100	0.33	186	1.00	0.50	0.03	0.11	0.20	0.17	0.41	<0.5		
Approval for an education and childcare service - service approval - family day care	Education and Communities	Office of Education	1. Ageing, disability or children	106	181	3,000	172	0.33	186	1.00	0.50	0.03	0.11	0.20	0.17	0.41	<0.5		
Planning Approval - capital works	Other	Hunter Water Corporation	15. Residential or commercial works	25	213	-	180	0.33	188	0.00	0.00	0.15		0.60	0.92	0.56	-		

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3							Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance					
program & operations																			
Authorisation to carry out commercial and other activities at major event venue or facility	DPC	Department level licence	13. Other	-	260	-	180	0.33	189	0.00		0.00			1.00	0.33	-		
Licence to Supply by Wholesale Poisons, Restricted Substances or Drugs for Therapeutic Use	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	543	142	254,835	86	0.33	190	0.00	0.50	0.12	0.33	0.00	1.00	0.38	<0.5		
Registration of a Plant Item	DFS	WorkCover NSW	15. Residential or commercial works	57,917	31	1,110,512	45	0.32	191	0.00	0.00	0.31	0.78	0.40	0.46	0.55	0.5 - 2.5		
Limited licence - single function	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	1,530	114	61,200	120	0.32	192	0.00	0.50	0.25	0.44	0.00	0.75	0.41	<0.5		
Authority to Prescribe a Drug of Addiction	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	9,680	60	-	180	0.32	193	0.00	0.00	0.12	0.67	0.20	0.96	0.38	-	✓	
Survey of a Commercial Vessel	Transport for NSW	Roads and Maritime Services	17. Public transport	2,397	99	1,352,954	41	0.32	193	0.50	0.00	0.18	0.22	0.60	0.44	0.56	0.5 - 2.5		
Planning Approval - external developer projects	Other	Hunter Water Corporation	15. Residential or commercial works	23	215	14,766	150	0.32	195	0.00	0.00	0.15	0.67	0.20	0.92	0.55	<0.5		
Approval of professional standards indemnity limitation schemes	AGD	Department level licence	13. Other	52,953	32	2,334,760	25	0.32	196	0.00	0.00	0.23	0.56	0.60	0.54	0.32	0.5 - 2.5		
Licence for a food transport business for dairy, meat, plant products, seafood, eggs & egg related products & game meat	DTIRIS	Department of Primary Industries	8. Food	7,590	67	2,251,312	27	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	0.5 - 2.5	✓	
Retail Meat Premises	DTIRIS	Department of Primary Industries	8. Food	1,841	110	820,398	54	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	
Vulnerable Persons Food Business Licence	DTIRIS	Department of Primary Industries	8. Food	1,216	128	406,285	70	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓	

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3									Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)					
Seafood Licence (Non-Shellfish Harvesters) Includes seafood processors and handling of live caught seafood.	DTIRIS	Department of Primary Industries	8. Food	872	133	296,537	83	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Licence for Cold Food storage Multi (Licence for a food business to store dairy, meat, plant products, seafood, eggs & egg related products)	DTIRIS	Department of Primary Industries	8. Food	527	143	271,128	84	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Meat Processing Plant Licence	DTIRIS	Department of Primary Industries	8. Food	346	150	229,852	89	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Seafood Licence (Shellfish Harvester)	DTIRIS	Department of Primary Industries	8. Food	282	159	464,380	68	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Licence for a food premise to produce, process or store eggs and egg related products	DTIRIS	Department of Primary Industries	8. Food	213	164	81,734	114	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Game Meat Processing Plant Licence/Field Depot	DTIRIS	Department of Primary Industries	8. Food	130	174	54,510	125	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Licence as a Farm Milk Collector	DTIRIS	Department of Primary Industries	8. Food	119	175	35,581	135	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Abattoir Licence	DTIRIS	Department of Primary Industries	8. Food	65	192	120,407	104	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Animal Food Processing Plant Licence/Field Depot	DTIRIS	Department of Primary Industries	8. Food	35	206	25,413	145	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Animal Food Van Licence	DTIRIS	Department of Primary Industries	8. Food	18	225	7,177	161	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Rendering Plant	DTIRIS	Department of Primary Industries	8. Food	8	239	4,958	167	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			
Knackery Licence	DTIRIS	Department of Primary Industries	8. Food	7	241	2,814	173	0.32	197	1.00	0.00	0.08	0.11	0.40	0.33	0.48	<0.5	✓			

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Vehicle Licence - Taxi	Transport for NSW	Roads and Maritime Services	17. Public transport	7,017	69	12,753,749	9	0.32	212	0.00	0.50	0.26	0.22	0.60	0.33	0.55	5 - 10		
Water Management Approvals (Combined Water Supply Works & Use Approval)	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	20,981	46	75,643	117	0.32	213	0.50	0.00	0.16	0.00	0.40	0.83	0.55	<0.5		
Section 15B Certificate	DTIRIS	Department of Primary Industries	13. Other	8,556	63	684,480	58	0.31	214	0.00		0.20	0.56		0.50	0.31	<0.5		
Commercial Agent and Private Inquiry Agent - Master Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	1,233	125	-	180	0.31	215	0.00	0.00	0.17	0.56	0.20	0.96	0.74	-	✓	
Operating licence	DPC	IPART	5. Electricity, gas or water	4	250	-	180	0.31	216	0.00	0.00	0.39		0.20	0.96	0.54	-		
			12. Occupational (eg required to practice in professional occupation)																
Tow Truck Drivers Certificate	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	3,025	89	503,804	65	0.31	217	0.50	0.00	0.14	0.56	0.20	0.46	0.73	<0.5		
Commercial Agent and Private Inquiry Agent - Operator Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	2,905	92	-	180	0.31	218	0.00	0.00	0.13	0.56	0.20	0.96	0.73	-	✓	
Water Access Licences	DTIRIS	Department of Primary Industries	5. Electricity, gas or water	33,477	39	27,241	141	0.31	219	0.00	0.25	0.33	0.11	0.40	0.75	0.54	<0.5		
Registration as an industrial organisation	AGD	Industrial Relations Commission of NSW	2. Business registration	96	187	-	180	0.31	220	0.00	0.50	0.39	0.00	0.40	0.56	0.31	-		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3										Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)				
Apiary Occupation Permit (Bee Keeping Permit)	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	332	153	209,783	94	0.31	221	0.00	0.25	0.39	0.00	0.20	1.00	0.56	<0.5			
Applications for changes to State Heritage Register items	DPC	Office of Environment and Heritage	13. Other	145	171	109,106	107	0.30	222	0.00	0.00	0.58	0.44	0.20	0.58	0.30	<0.5			
Applications for archaeological excavation permits	DPC	Office of Environment and Heritage	13. Other	25	213	47,414	129	0.30	222	0.00	0.00	0.58	0.44	0.20	0.58	0.30	<0.5			
Registration of Births in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	96,856	22	-	180	0.30	224	0.00	0.00	0.44	0.33	0.00	1.00	0.30	-			
Transported Stock Statement	DTIRIS	Department of Primary Industries	13. Other	21,167	45	15,735	148	0.30	224	0.00	0.50	0.00	0.67	0.00	0.61	0.30	<0.5			
General Guide Licence	DTIRIS	Department of Primary Industries	12. Occupational (eg required to practice in professional occupation)	9	236	1,350	176	0.29	226	1.00	0.00	0.07	0.11	0.20	0.38	0.69	<0.5			
Authorised Health Professional	Transport for NSW	Rail Corporation NSW (RailCorp)	17. Public transport	295	158	-	180	0.29	227	0.00	0.25	0.20		0.00	1.00	0.50	-			
Applications for the issue of Certificates in regard to Changes of Name registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	20,890	47	919,160	50	0.29	228	0.00	0.00	0.50	0.11		0.83	0.29	<0.5			
Conduct of Civil Marriage Ceremonies	AGD	Registry of Births, Deaths and Marriages	13. Other	4,519	78	1,522,903	35	0.29	228	0.00	0.00	0.50	0.11		0.83	0.29	<0.5			
Private Health Facilities Licence	NSW Ministry of Health	Private Health Care Branch	9. Health or pharmaceutical	186	167	1,360,130	40	0.29	228	0.00	0.00	0.06	0.00	0.80	0.88	0.34	<0.5			
Accreditation of Adoption Service Providers	Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	1. Ageing, disability or children	3	252	-	180	0.29	231	0.00	0.00	0.33		0.40	0.71	0.35	-			
Children's Service Licence - Centre based <sup>g</sup>	Education and Communities	Office of Education	1. Ageing, disability or children	Not applicable	269	1,506,698	36	0.28	232	0.00	0.50	0.03	0.11	0.40	0.67	0.35	0.5 - 2.5			
Development Assessment applications & related report and design review services	Other	Hunter Water Corporation	5. Electricity, gas or water	3,000	90	1,400,000	39	0.28	233	1.00	0.00	0.13	0.11	0.00	0.46	0.50	0.5 - 2.5			

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3								Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)		
Accreditation as a New Scheme Teacher	Education and Communities	NSW Institute of Teachers	12. Occupational (eg required to practice in professional occupation)	41,462	36	4,238,622	20	0.28	234	0.00	0.00	0.67	0.33	0.40	0.29	0.67	2.5 - 5		
Accreditation to provide contestable services	DTIRIS	Division of Resources and Energy	5. Electricity, gas or water	1,473	116	646,000	60	0.28	235	1.00	0.00	0.23	0.00	0.20	0.25	0.49	<0.5		
Private mooring licence	Transport for NSW	Roads and Maritime Services	3. Culture or recreation	17,328	51	1,819,057	31	0.28	236	0.00	0.00	0.33	0.44	0.40	0.50	0.41	0.5 - 2.5		
Certificates of Competence	DTIRIS	Division of Resources and Energy	11. Mining	9,011	62	128,760	103	0.27	237	0.00	0.00	0.49	0.33	0.20	0.58	0.42	<0.5	✓	
Asbestos and Demolition licence	DFS	WorkCover NSW	15. Residential or commercial works	1,516	115	-	180	0.26	238	0.00	0.00	0.26	0.67	0.20	0.46	0.45	-		
Authority to prescribe drug of addiction Clause 84(2)	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	706	139	-	180	0.26	239	0.00	0.00	0.15		0.20	0.96	0.31	-		
Applications for the issue of Certificates in regard to Single Status	AGD	Registry of Births, Deaths and Marriages	13. Other	5,157	75	226,908	90	0.26	240	0.00	0.00	0.50	0.11		0.67	0.26	<0.5		
Approval of a State Funeral	DPC	Department level licence	13. Other	5	247	-	180	0.25	241	0.00	0.00	0.00			1.00	0.25	-		
Authority to obtain and use schedule 7 poisons	NSW Ministry of Health	Pharmaceutical Services Branch	9. Health or pharmaceutical	19	223	-	180	0.25	242	0.00	0.50	0.12		0.00	0.63	0.29	-		
Accreditation as a Designated Agency - Out-of-Home Care	Education and Communities	Office of Communities	1. Ageing, disability or children	60	196	-	180	0.25	243	0.00	0.00	0.13		0.40	0.71	0.30	-		
Towing authorisation	Transport for NSW	Roads and Maritime Services	14. Private transport	52,170	33	1,147,763	44	0.24	244	0.00	0.00	0.03	0.22	0.20	0.96	0.24	<0.5		
RSA/RCG Competency Card	DTIRIS	NSW Office of Liquor, Gaming and Racing	10. Liquor, gaming or racing	91,873	24	6,431,110	13	0.23	245	0.00	0.25	0.13	0.33	0.20	0.50	0.30	0.5 - 2.5		
Food Safety Certificates	DTIRIS	Department of Primary Industries	8. Food	40,695	37	830,647	53	0.23	246	0.00	0.00	0.03	0.33	0.20	0.83	0.35	<0.5	✓	
Fisheries Section 37 permit	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	296	157	15,929	147	0.23	247	0.00	0.00	0.05	0.22	0.20	0.92	0.42	<0.5		

Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform

Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2				Assessment 3									Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.	Reform multiplier (median = 0.58)					
Security Industry - Class 1 Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	31,829	41	-	180	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	-	✓			
Security Industry - Class 2 Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	7,171	68	-	180	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	-	✓			
Security Industry - Master Licence	AGD	NSW Police Force	12. Occupational (eg required to practice in professional occupation)	4,011	82	880,100	52	0.22	248	0.00	0.00	0.05	0.33	0.00	0.96	0.53	<0.5	✓			
Applications for the issue of Certificates and other services in regard to Deaths registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	64,339	28	2,959,594	22	0.22	251	0.00	0.00	0.50	0.11		0.50	0.22	0.5 - 2.5				
Applications for the issue of Certificates in regard to Family History	AGD	Registry of Births, Deaths and Marriages	13. Other	61,250	30	1,715,000	32	0.22	251	0.00	0.00	0.50	0.11		0.50	0.22	<0.5				
Registration of Deaths in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	49,721	34	-	180	0.22	251	0.00	0.00	0.44		0.00	0.67	0.22	-				
Registration of Marriages in, or deemed to be in, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	42,041	35	-	180	0.22	251	0.00	0.00	0.44		0.00	0.67	0.22	-				
Certificate of Maritime Competency	Transport for NSW	Roads and Maritime Services	12. Occupational (eg required to practice in professional occupation)	12,588	57	56,219	124	0.22	255	0.00	0.00	0.08	0.22	0.20	0.83	0.53	<0.5				
Registration of approved Changes of Name of persons resident in, or deemed to be residents of, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	16,711	54	2,573,494	23	0.21	256	0.00	0.00	0.50	0.11	0.00	0.67	0.21	0.5 - 2.5				
Registration of an event under Hallmark status	DPC	Department level licence	13. Other	12	228	-	180	0.21	257	0.00	0.00	0.18	0.17	0.00	0.92	0.21	-				
Licence for high risk work	DFS	WorkCover NSW	15. Residential or commercial works	303,123	10	5,545,745	16	0.21	258	0.00	0.00	0.26	0.33	0.20	0.46	0.35	0.5 - 2.5				

J Initial 269 'significant' licences – policy scores, multiplier and estimated gains from reform



Licence type	Depart.	Agency	Licence area	Assessment 1		Assessment 2		Assessment 3								Reform multiplier (median = 0.58)	Potential gains from licence reform (\$ million)	Raised in sub.	'Top 40' priority licence
				Licence numbers (median = 814)	Rank	Licence revenue AUD (\$)(median = \$35,581)	Rank	Policy score (original median = 0.42)	Rank	Policy area: duration	Policy area: conditions	Policy area: review process	Policy area: fee setting	Policy area: compliance	Policy area: admin.				
Construction Induction Card	DFS	WorkCover NSW	15. Residential or commercial works	1,034,174	4	1,829,296	30	0.21	<b>259</b>	0.00	0.00	<b>0.41</b>	<b>0.33</b>	<b>0.20</b>	0.29	0.35	0.5 - 2.5		
Trade waste industrial consents	Other	Sydney Water Corporation	5. Electricity, gas or water	735	138	1,237,447	42	0.20	<b>260</b>	0.00	0.00	0.13	0.00	<b>0.60</b>	0.46	0.35	<0.5		
Applications for the issue of Certificates and other services in regard to Births registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	260,956	15	12,003,976	10	0.19	<b>261</b>	0.00	0.00	<b>0.33</b>	0.11		0.50	0.19	0.5 - 2.5		
Authorisation of plantation or proposed plantation	DTIRIS	Department of Primary Industries	6. Environment, plants or animals	1,626	112	33,218	136	0.16	<b>262</b>	0.00	0.00	0.10	0.00	<b>0.20</b>	0.67	0.29	<0.5		
General Game Hunting Licence (G-Licence)	DTIRIS	Department of Primary Industries	3. Culture or recreation	3,355	88	200,940	95	0.15	<b>263</b>	0.00	0.00	0.20	0.11	<b>0.20</b>	0.38	0.22	<0.5		
Registration of Relationships of persons resident in, or deemed to be residents of, NSW.	AGD	Registry of Births, Deaths and Marriages	13. Other	2,504	97	483,272	67	0.13	<b>264</b>	0.00	0.00	0.00	0.11	0.00	0.67	0.13	<0.5		
Boat driving licence	Transport for NSW	Roads and Maritime Services	14. Private transport	486,805	7	2,563,855	24	0.12	<b>265</b>	0.00	0.00	0.15	0.00	0.00	0.58	0.12	<0.5		
Applications for the issue of Certificates and other services (excluding the conduct of marriage ceremonies) in regard to Marriages registered in NSW	AGD	Registry of Births, Deaths and Marriages	13. Other	95,614	23	4,398,244	19	0.12	<b>265</b>	0.00	0.00	0.00	0.11		0.50	0.12	0.5 - 2.5		
Applications for the issue of Certificates in regard to Relationships	AGD	Registry of Births, Deaths and Marriages	13. Other	4,871	77	214,324	92	0.12	<b>265</b>	0.00	0.00	0.00	0.11		0.50	0.12	<0.5		
BASIX Certificate	DPC	Department of Planning and Infrastructure	15. Residential or commercial works	35,557	38	2,303,005	26	0.12	<b>268</b>	0.00	0.00	0.20	<b>0.33</b>	0.00	0.17	0.20	<0.5		
Restricted Game Hunting Licence (R-Licence)	DTIRIS	Department of Primary Industries	3. Culture or recreation	14,850	55	973,140	48	0.07	<b>269</b>	0.00	0.00	0.05	0.11	<b>0.20</b>	0.08	0.11	<0.5		

<sup>a</sup> The number of Bore Water Licences has declined significantly (to approximately 1,750 licences) since our licence survey was conducted, following reforms to modernise the legislative framework for how water licences are managed in NSW.

<sup>b</sup> This licence's name has been changed as a result of legislation changes in 2013 to 'Authorisation to operate an assisted boarding house' under the *Boarding Houses Act 2012* (NSW).

<sup>c</sup> Since 1 July 2013, responsibility for this licence has been transferred to the Federal regulator – the Australian Energy Regulator.

<sup>d</sup> This licence no longer exists – the commencement of the Entertainment Industry Act 2013 (NSW) (on 2 March 2014) has abolished the 'Entertainment Industry Representative's Licence'.

<sup>b</sup> This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.

<sup>c</sup> This licence no longer exists – it was part of the regulatory framework that existed in NSW before the introduction of the National Quality Framework in January 2012.

<sup>d</sup> This licence no longer exists – it was replaced by the 'Approval for an education and childcare service – centre based care', concurrent with the implementation of the National Quality Framework in January 2012.

**Notes:**

1. The licence types presented in this table are ranked first by policy score, then by licence numbers, then by licence revenue. 'Licence numbers' refers to the greatest of the number of new, renewed or in force reported by the department/agency for each licence type. 'Licence revenue' refers to the greatest of the sum of application, renewal and processing fees; and the total revenue reported by the department/agency for each licence type.

2. The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).



## K Impact analysis – assumptions, calculations and additional supporting research for ‘Top 10’ priority licences

This appendix contains our preliminary impact analysis assumptions, calculations and additional supporting research for the following ‘Top 10’ priority licences:

- ▼ Registration of a Light Vehicle (K.1).
- ▼ Driver’s licences (K.2) including:
  - Driver’s licence – Car (C).
  - Driver’s licence – Rider (R).
- ▼ Registration of a Recreational Vessel (K.3).
- ▼ Home Building Licences (and Owner Builder Permits) (K.4).

Explanations of calculations contained in this appendix may contain approximate results due to rounding.

### K.1 Registration of a Light Vehicle

#### K.1.1 Summary of research on periodic motor vehicle inspections, vehicle age, and their relationship with car accidents

##### Effects of periodic motor vehicle inspections on vehicle defects

- ▼ In general, the prevalence of defects in the vehicle fleet has been found to be lower in jurisdictions with periodic motor vehicle inspections (PMVIs).
- ▼ PMVIs may not detect all defects that may at some stage contribute to an accident. This is for 2 reasons:
  - a safety element (eg, tyres), may comply with the roadworthy standard at the time of inspection but fall below the roadworthy standard before next inspection:  
...having periodic inspections does not necessarily remove all vehicle safety risk since vehicle defects can develop between each inspection.<sup>426</sup>

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<sup>426</sup> New Zealand Transport Agency, *Interim Cost Benefit Analysis Report – Warrant of Fitness Reform Options*, September 2012, p 45.

- some licensed inspection stations may not conduct thorough inspections to identify vehicle defects.
- ▼ PMVIs have immediate safety benefits which decrease over time.
- ▼ Random inspections, or a combination of random inspections and PMVIs, could be more effective in reducing crash rates than PMVIs alone.<sup>427</sup>
- ▼ Promoting the need to maintain a vehicle in a safe condition and the owner’s responsibility for this is likely to have more road safety benefits than any form of periodic or change of ownership inspection systems.<sup>428</sup>

### Contribution of vehicle defects to car accidents

The fact that vehicle defects contribute to crash occurrence is undisputed, but the importance of the role of vehicle defects is difficult to determine.<sup>429</sup>

- ▼ Vehicle defects appear to play a small role in road crashes. For example, in Australia only around 5% of all fatal crashes that occurred in 2006 have reported vehicle defects as contributing factors. Of all injury crashes that occurred in the United Kingdom in 2009, vehicle factors were reported in between 2% and 3%. In New Zealand, vehicle factors were reported to contribute to about 3.5% of all fatal and injury crashes, and around 2.5% of these crashes were reported to have inspection-related defects as contributory factors.<sup>430</sup>
- ▼ It is widely accepted that the human element comprises the largest influence on the occurrence of an accident, followed by the environment, followed by the mechanical condition of the car.<sup>431</sup>

### Relationship between vehicle age and car accidents

- ▼ While older cars have an elevated safety risk, this has been progressively reducing over the past decade as technology has improved and this pattern is expected to continue.<sup>432</sup>

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<sup>427</sup> Monash University Accident Research Centre, *The Effect of Vehicle Roadworthiness on Crash Incidence and Severity*, 2000, p 18.

<sup>428</sup> Ibid.

<sup>429</sup> Monash University Accident Research Centre, *Road Safety Benefits of Vehicle Roadworthiness Inspections in New Zealand and Victoria*, November 2012, p 8.

<sup>430</sup> New Zealand Transport Agency, *Interim Cost Benefit Analysis Report – Warrant of Fitness Reform Options*, September 2012, p 46.

<sup>431</sup> Monash University Accident Research Centre, *The Effect of Vehicle Roadworthiness on Crash Incidence and Severity*, 2000, p 18.

<sup>432</sup> New Zealand Transport Agency, *Vehicle Licencing Reform (Warrant of Fitness and Certificate of Fitness) – Regulatory Impact Statement*, January 2013, p 7.

- ▼ Analysis of car accidents in both Victoria and New Zealand has shown that the higher risk for older vehicles occurs even for vehicles immediately after they are certified as roadworthy, suggesting that other factors, likely to be related to the way the vehicle is used and by who, lead to the increased crash risk.<sup>433</sup>
- ▼ Vehicles are known to decrease in both relative roadworthiness and safety over time. This is due to two factors:
  - deterioration of vehicle components, and
  - safety features built into newer vehicles that are not present in older vehicles, making the newer vehicles relatively safer.
- ▼ It has been suggested that other factors contribute to the higher rate of accidents in older cars, including the types of people driving older cars (for example, younger people) may differ from those driving newer cars.<sup>434</sup>

### K.1.2 Estimated savings – assumptions and calculations

**Table K.1 Savings to vehicle owners from avoided trips to AIS stations**

	Data/assumption	Value	Source/comment
(1)	Number of registered light vehicles	5.31 million	<p>Aggregated light vehicle registrations as at 31 December 2012, from source:  <a href="http://www.rta.nsw.gov.au/publicationsstatistics/forms/statistics/registrationandlicensing/tables/table113_2012q4.html">http://www.rta.nsw.gov.au/publicationsstatistics/forms/statistics/registrationandlicensing/tables/table113_2012q4.html</a></p> <p>The vehicle categories typically referred to as light vehicles include:</p> <ul style="list-style-type: none"> <li>▼ passenger vehicles</li> <li>▼ off-road vehicles</li> <li>▼ people movers</li> <li>▼ small buses</li> <li>▼ motorcycles</li> <li>▼ scooters</li> <li>▼ light trucks</li> <li>▼ light plants</li> <li>▼ small trailers.</li> </ul> <p>Note that this is a more recent number than that in RMS's response to our licence survey, which was from 30 June 2012.</p>

<sup>433</sup> Monash University Accident Research Centre, *Road Safety Benefits of Vehicle Roadworthiness Inspections in New Zealand and Victoria*, November 2012, pp 32-35.

<sup>434</sup> Monash University Accident Research Centre, *The Effect of Vehicle Roadworthiness on Crash Incidence and Severity*, 2000, p 16.

	Data/assumption	Value	Source/comment
(2)	Number of vehicles requiring annual safety inspections	3.72 million	Aggregated light vehicles older than 5 years registered at 31 December 2012, from source: <a href="http://www.rta.nsw.gov.au/publicationsstatistics/forms/statistics/registrationandlicensing/tables/table113_2012q4.html">http://www.rta.nsw.gov.au/publicationsstatistics/forms/statistics/registrationandlicensing/tables/table113_2012q4.html</a> Light vehicles older than 5 years amount to approximately 70% of the light vehicle fleet. We assume that the number of vehicles older than 5 years remain constant (ie, no growth).
(3)	Percentage of light-vehicles that are for business use	11.6%	Calculated based on the survey response from RMS, showing that at 30 June 2012 there were 642,192 business light vehicle registrations out of 5,555,737 total light vehicle registrations.
(4)	Number of private light vehicles requiring annual inspections	3.72 million x 88.4% = 3.29 million	Calculation based on items number (2) and (3) above.
(5)	Number of business light vehicles requiring annual inspections	3.72 million x 11.6% = 0.43 million	Calculation based on items number (2) and (3) above.
(6)	Percentage of light vehicles older than 5 years being serviced regularly	75% of private vehicles  90% of business vehicles	Assumption as we do not have this data. We define regular servicing as occurring at least once per year. We consider a greater proportion of business vehicles are regularly serviced, as the potential cost to businesses from a vehicle breakdown can be considerable.
(7)	Percentage of vehicle owners that will obtain the vehicle safety report in combination with a service, as a result of the reform	80%	We assume that a small share of vehicle owners required to get safety reports currently do so in combination with a service the 6-week period before registration renewal. We also assume that not everyone will adjust their servicing schedule to be able to take advantage of the reform.
(8)	Assumed time saved per avoided trip to AIS station	1.5 hours	We consider this to be a conservative estimate, as it includes: travel time; waiting time; and, in several cases, the need to leave the vehicle to be picked up at a later date, requiring the owner to travel by other means and make an additional return trip to the AIS station.

	Data/assumption	Value	Source/comment
(9)	Cost of time to businesses	\$34.20 x 1.75 = \$59.85 per hour	<p>Better Regulation Office (2012) Guidelines for estimating savings under the red tape reduction target, p 19.</p> <p>Updated with May 2012 data from:            Australian Bureau of Statistics (2013), 6306.0 – Employee Earnings and Hours, Australia, May 2012 – Full-time non-managerial adult employees, average weekly cash earnings and hours paid for Non-managerial employees, Averages and Distributions, Cash earnings and hours paid for: All occupations, persons, average hourly cash earnings, ordinary time.  <a href="http://www.abs.gov.au/AUSSTATS/subscriber.nsf/log?openagent&amp;63060do004_201205.xls&amp;6306.0&amp;DataCubes&amp;0CB56AB16247E14ECA257AFB000E4023&amp;0&amp;May%2012&amp;23.01.2013&amp;Latest">http://www.abs.gov.au/AUSSTATS/subscriber.nsf/log?openagent&amp;63060do004_201205.xls&amp;6306.0&amp;DataCubes&amp;0CB56AB16247E14ECA257AFB000E4023&amp;0&amp;May 2012&amp;23.01.2013&amp;Latest</a></p> <p>We consider this to be a conservative estimate, as it assumes only lost worker time, and does not consider the cost to the business of not being able to carry out work due to the vehicle being unavailable.</p>
(10)	Cost of time to individuals	\$34.20 x 0.5 = \$17.10 per hour	<p>Better Regulation Office (2012) Guidelines for estimating savings under the red tape reduction target, p 19.</p> <p>Updated with May 2012 data from:            Australian Bureau of Statistics (2013), 6306.0 – Employee Earnings and Hours, Australia, May 2012 – Full-time non-managerial adult employees, average weekly cash earnings and hours paid for Non-managerial employees, Averages and Distributions, Cash earnings and hours paid for: All occupations, persons, average hourly cash earnings, ordinary time.  <a href="http://www.abs.gov.au/AUSSTATS/subscriber.nsf/log?openagent&amp;63060do004_201205.xls&amp;6306.0&amp;DataCubes&amp;0CB56AB16247E14ECA257AFB000E4023&amp;0&amp;May%2012&amp;23.01.2013&amp;Latest">http://www.abs.gov.au/AUSSTATS/subscriber.nsf/log?openagent&amp;63060do004_201205.xls&amp;6306.0&amp;DataCubes&amp;0CB56AB16247E14ECA257AFB000E4023&amp;0&amp;May 2012&amp;23.01.2013&amp;Latest</a></p> <p>We consider this to be a conservative estimate. The lost time to individuals is here valued at the value of leisure time, which is calculated as half the value of employed time. However, many vehicle owners would need to take time off work to bring their vehicle to and from an AIS station, in which case the opportunity cost would be equal to the value of lost employed time.</p>

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	Data/assumption	Value	Source/comment
(11)	Return trip length	5km to 10km	We have assumed a typical range of between 5km and 10km for return trips to AIS stations. The length of the return trips are likely to be significantly shorter in urban areas compared with in rural areas.
(12)	Cost per kilometre travelled	\$0.63	Australian Taxation Office deduction rate for vehicle of 1600cc or less. <a href="http://www.ato.gov.au/Individuals/Tax-return/2012/In-detail/Tax-return/Deduction-questions-D1-D10/D1---Work-related-car-expenses-2012/">http://www.ato.gov.au/Individuals/Tax-return/2012/In-detail/Tax-return/Deduction-questions-D1-D10/D1---Work-related-car-expenses-2012/</a>
(13)	Number of private vehicles undergoing safety inspection in combination with a regular service	3.29 million x 75% x 80% = 1.97 million	Calculation based on items number (4), (6) and (7) above.
(14)	Number of business vehicles undergoing safety inspection in combination with a regular service	0.43 million x 75% x 80% = 0.31 million	Calculation based on items number (5), (6) and (7) above.
(15)	Savings to individuals from avoided time costs	1.5 x \$17.10 x 1.97 million = \$50.6 million	Calculation based on items number (8), (10) and (13) above.
(16)	Savings to individuals from travel cost savings, excluding time (eg, fuel savings)	From: 5 x \$0.63 x 1.97 million = \$6.2 million  To: 10 x \$0.63 x 1.97 million = \$12.4 million	Calculation based on items number (11), (12) and (13) above.
(17)	Savings to businesses from avoided time costs	1.5 x \$59.85 x 0.43 million = \$27.8 million	Calculation based on items number (8), (9) and (14) above.

	Data/assumption	Value	Source/comment
(18)	Savings to businesses from travel cost savings, excluding time (eg, fuel savings)	<p>From:  <math>5 \times \\$0.63 \times 0.43 \text{ million}</math>  <math>=</math>  <math>\\$1.0 \text{ million}</math></p> <p>To:  <math>10 \times \\$0.63 \times 0.43 \text{ million}</math>  <math>=</math>  <math>\\$2.0 \text{ million}</math></p>	Calculation based on items number (9), (10) and (12) above.
(19)	Total savings from avoided time costs	$\$50.6 \text{ million} + \$27.8 \text{ million}$ $=$ $\$78.4 \text{ million}$	Calculation based on items number (15) and (17) above.
(20)	Total savings from travel cost savings, excluding time (eg, fuel savings)	<p>From:  <math>\\$6.2 \text{ million} + \\$1.0 \text{ million}</math>  <math>=</math>  <math>\\$7.2 \text{ million}</math></p> <p>To:  <math>\\$12.4 \text{ million} + \\$2.0 \text{ million}</math>  <math>=</math>  <math>\\$14.4 \text{ million}</math></p>	Calculation based on items number (16) and (18) above.
(21)	Total annual savings to light vehicle owners	<p>From:  <math>\\$78.4 \text{ million} + \\$7.2 \text{ million}</math>  <math>=</math>  <math>\\$85.6 \text{ million}</math></p> <p>To:  <math>\\$78.4 \text{ million} + \\$14.4 \text{ million}</math>  <math>=</math>  <math>\\$92.8 \text{ million}</math></p>	Calculation based on items number (19) and (20) above.

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**Table K.2 Savings to AIS stations from improved efficiency of safety inspections**

	Data/assumption	Value	Source/comment
(1)	Number of light vehicles undergoing safety inspection in combination with a regular service	1.97 million + 0.31 million = 2.28 million	As per items number (13) and (14) in Table K.1.
(2)	Efficiency time-saving per safety inspection combined with a regular service	10 minutes = 1/6 hour	We consider this to be a moderate assumption.
(3)	Cost of time to businesses	\$59.85 per hour	As per item number (9) in Table K.1.
(4)	Annual time savings to AIS stations from efficiency savings	2.28 million x [1/6] x \$59.85 = \$22.8 million	Calculation based items number (1), (2) and (3) above.

### K.1.3 Estimated costs – assumptions and calculations

**Table K.3 Potential for marginal increase in road safety and congestion costs from a potential slight increase in crashes**

	Data/assumption	Value	Source/comment
(1)	Number of registered light vehicles	5.31 million	As per item number (1) in Table K.1
(2)	Number of light vehicles requiring annual safety inspections	3.72 million	As per item number (2) in Table K.1



	Data/assumption	Value	Source/comment
(3)	Light vehicles older than 5 years not undergoing a safety check for more than 12 months	5% to 15% in any 1 year	<p>Range tested, which we consider to be reasonably high. There are a number of factors suggesting that the share of light vehicles older than 5 years that would go unchecked for more than 12 months should be low. For example:</p> <ul style="list-style-type: none"> <li>▼ it would mainly include vehicles that do not get serviced regularly. We have previously assumed that 75% of privately owned light vehicles, and 90% of business light vehicles are serviced regularly. This gives a weighted average of 77% of light vehicles being serviced regularly. Therefore, 5% to 15% of light vehicles older than 5 years is equivalent to 21% to 66% of those that are not serviced regularly. We therefore consider this range to be high.</li> <li>▼ as explained in section 5.2.1, under our recommended reform, a light vehicle can only go unchecked for a period exceeding 12 months if this period is preceded by 1 or more periods of less than 12 months. Extended intervals between inspections can therefore not be ongoing, further limiting the share of vehicles going unchecked for longer than 12 months. The average time between inspections will remain 12 months.</li> </ul>
(4)	Share of those vehicles going unchecked for longer than 12 months that would face an increased risk of accidents in the period beyond 12 months.	10% to 20%	<p>This is our assumed range for the share of those vehicles that go unchecked for greater than 12 months that will face a higher risk of accidents in the period after 12 months than it would if it had undergone a safety inspection at 12 months.</p> <p>RMS has informed us that every year for the last 5 years, approximately 20% of the light vehicle fleet has failed the annual safety inspection.</p> <p>We highlight again that in order to extend the interval between safety inspections, the extended interval must be preceded by 1 or more intervals of less than 12 months. This would offset some of the potentially negative impact from the extended interval.</p>

	Data/assumption	Value	Source/comment
(5)	NSW average accident rate	0.90%	<p>Based on 2011 crash statistics for NSW, this is the likelihood of a vehicle being involved in a crash during a year.</p> <p>Source:</p> <p>Transport for NSW, <i>Road traffic crashes in New South Wales – Statistical Statement for the year ended 31 December 2011</i>, <a href="http://roadsafety.transport.nsw.gov.au/downloads/crashstats2011.pdf">http://roadsafety.transport.nsw.gov.au/downloads/crashstats2011.pdf</a>, p 6</p> <p>Calculated as:</p> $\frac{\text{Total recorded crashes}}{\text{Vehicles on register}} = \frac{42,953}{4,743,400} \approx 0.90\%$
(6)	Annual cost of road crashes in NSW	\$10 billion	<p>Estimated on the basis of the Bureau of Infrastructure, Transport and Regional Economics (BITRE) 2009 report on the cost of road crashes in Australia in 2006, as well as on crash statistics for NSW published by Transport for NSW.</p> <p>We used BITRE’s estimated total cost of road crashes incorporating the higher Hensher et al (2009) value of life of \$6.19 million (\$2006). This value of life has apparently also been adopted by RMS in its Economic Analysis Manual.</p> <p>The key parameters and calculations underlying our estimate are:</p> <ul style="list-style-type: none"> <li>▼ Australian total road crash costs in 2006: \$27.1 billion (\$2006) (BITRE p. 91)</li> <li>▼ NSW share of Australian total road crash costs: <math>\frac{5,736.0 \text{ million}}{17,849.3 \text{ million}} = 32\%</math> (BITRE p. 85)</li> <li>▼ NSW subtotal of total Australian crash costs in 2006: \$27.1 billion x 32% = \$8.7 billion (\$2006)</li> <li>▼ NSW subtotal in 2006 inflated to \$2012 dollars: \$8.7 billion x 1.18 (inflation escalator) = \$10.3 billion (\$2012)</li> <li>▼ Average annual change in total recorded crashes in NSW between 2006 and 2011: <math>\frac{42,953 - 45,528}{5} = -515</math></li> <li>▼ Estimated total recorded crashes in NSW in 2012: 42,953 – 515 = 42,438</li> <li>▼ Estimated total cost of crashes in NSW in 2012: \$10.3 billion x <math>\frac{42,438}{45,528} = \\$9.6 \text{ billion}</math></li> </ul> <p>We have rounded this estimate up to \$10 billion to represent a conservative (ie, relatively high) estimate of the cost of crashes in NSW in 2012.</p>

Data/assumption	Value	Source/comment
		<p>We note that these crash cost estimates include all road crashes, including those not involving light vehicles. However, as the majority of road crashes involve light vehicles, we assume in the calculation below that the total cost of road crashes reduce in proportion to the reduction crashes involving light vehicles.</p> <p>Sources:</p> <p>Bureau of Infrastructure, Transport and Regional Economics (BITRE), <i>Cost of road crashes in Australia 2006 – Report 118</i>, 2009</p> <p>Transport for NSW, <i>Road traffic crashes in New South Wales – Statistical Statement for the year ended 31 December 2011</i>, <a href="http://roadsafety.transport.nsw.gov.au/downloads/crashstats2011.pdf">http://roadsafety.transport.nsw.gov.au/downloads/crashstats2011.pdf</a>, p 6.</p> <p>David A Hensher, John M Rose, Juan de Dios Ortuzar and Luis I Rizzi, <i>Estimating the willingness-to-pay and value of risk reduction for car occupants in the road environment</i>, 2009.</p>
.(7) Factor increase in risk for the vehicles going unchecked for longer than 12 months and which face an increased risk of accidents	2-fold to 5-fold	<p>Range tested, which we consider to be high.</p> <p>The range tested means that the vehicles going unchecked for more than 12 months and which face a higher risk in the period beyond the 12-month mark, will face between 2-fold or 5-fold the NSW average likelihood of being involved in an accident. We consider this to be a high assumption, especially when considering that the NSW average is for a full 12-month period, while in our scenario we're looking at a maximum period of 6 months.</p>
(8) Number of light vehicles potentially facing increased risk	18,602 to 111,612	Calculation based on items (2), (3) and (4)
(9) Share of total light vehicle fleet potentially facing increased risk	0.4% to 2.1%	Calculation based on items (1) and (8)
(10) Potential increase in total accident rate	0.003% to 0.076%	Calculation based on items (5), (7) and (9)
(11) Potential incremental cost of accidents due to increase in accident rate	\$0.3 million to \$7.6 million	Calculation based on (6) and (10)

**Table K.4 Scenario analysis: Incremental costs from potential increase in accident rate**

<b>Data/assumption</b>	<b>Low impact</b>	<b>Medium impact</b>	<b>High impact</b>	<b>Table K.3 reference item</b>
Share of registered light vehicles over 5 years old	70%	70%	70%	Items (1) and (2)
Share of light vehicles over 5 years not undergoing safety check for over 12 months	5%	10%	15%	Item (3)
Share of vehicles going unchecked for over 12 months facing increased risk of accidents	10%	15%	20%	Item (4)
Share of light vehicles facing increased risk of accidents	0.4%	1.1%	2.1%	Item (9)
Number of light vehicles facing increased risk of accidents	18,602	55,806	111,612	Item (8)
NSW average accident rate	0.90%	0.90%	0.90%	Item (5)
Factor increase in risk for the vehicles going unchecked for over 12 months and facing increased risk of accidents as a result	2	3	5	Item (7)
Increase in total NSW accident rate	0.003%	0.019%	0.076%	Item (10)
Current total annual cost of accidents	\$10 billion	\$10 billion	\$10 billion	Item (6)
Incremental annual cost of accidents from potential increase in accident rate	\$0.3 million	\$1.9 million	\$7.6 million	Item (11)

#### K.1.4 Estimated budgetary impact – assumptions and calculations

**Table K.5 Estimated impact on NSW Government budget from potential increase in road crashes**

	Data/assumption	Value	Source/comment																																												
(1)	Share of accident costs borne by NSW Government	10%	<p>We consider this to be a very high assumption. We have based this assumption on a rough estimate using the Bureau of Infrastructure, Transport and Regional Economics (BITRE) 2009 report on the cost of road crashes in Australia in 2006. Specifically, we have:</p> <ul style="list-style-type: none"> <li>▼ made assumptions on cost crash categories which we consider is partly or fully borne by the NSW Government (column 1 in table below)</li> <li>▼ calculated the share of each cost category relative to the Australian total, and applied these shares to the NSW total (column 2 in table below)</li> <li>▼ assumed the proportion of costs in each category borne by the NSW government (column 3 in table below).</li> </ul> <p>Using this approach, we arrived at the estimated share of crash costs borne by the NSW government as follows:</p>																																												
			<table> <tr> <th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th></tr> <tr> <th>Category</th><th>Share of total</th><th>Assumed share of category borne by NSW Government</th><th>Share of total borne by NSW Government in each category</th></tr> <tr> <td>Disability-related</td><td>10.44%</td><td>50%</td><td>5.22%</td></tr> <tr> <td>Medical and related</td><td>4.84%</td><td>50%</td><td>2.42%</td></tr> <tr> <td>Legal</td><td>1.50%</td><td>50%</td><td>0.75%</td></tr> <tr> <td>Emergency and police services</td><td>1.80%</td><td>100%</td><td>0.80%</td></tr> <tr> <td>Ambulance</td><td>0.36%</td><td>49%</td><td>0.17%</td></tr> <tr> <td>Street furniture damages</td><td>0.23%</td><td>100%</td><td>0.23%</td></tr> <tr> <td>Correctional services</td><td>0.09%</td><td>100%</td><td>0.09%</td></tr> <tr> <td>Coronial</td><td>0.02%</td><td>100%</td><td>0.02%</td></tr> <tr> <td><b>Total</b></td><td><b>18.27%</b></td><td></td><td><b>9.70%</b></td></tr> </table>	(1)	(2)	(3)	(4)	Category	Share of total	Assumed share of category borne by NSW Government	Share of total borne by NSW Government in each category	Disability-related	10.44%	50%	5.22%	Medical and related	4.84%	50%	2.42%	Legal	1.50%	50%	0.75%	Emergency and police services	1.80%	100%	0.80%	Ambulance	0.36%	49%	0.17%	Street furniture damages	0.23%	100%	0.23%	Correctional services	0.09%	100%	0.09%	Coronial	0.02%	100%	0.02%	<b>Total</b>	<b>18.27%</b>		<b>9.70%</b>
(1)	(2)	(3)	(4)																																												
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Medical and related	4.84%	50%	2.42%																																												
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Emergency and police services	1.80%	100%	0.80%																																												
Ambulance	0.36%	49%	0.17%																																												
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<b>Total</b>	<b>18.27%</b>		<b>9.70%</b>																																												

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Data/assumption	Value	Source/comment
		<p>In our assumption, we have rounded the 9.70% up to 10%.</p> <p>We consider this to be a significant over-estimation of the share borne by the NSW government.</p> <p>In particular, this estimated share is based on a total annual crash cost estimate using a relatively low value of life (\$2.40 million (\$2006)). However, we are applying this share to an estimate of total crash costs using a much higher value of life (\$6.19 million (\$2006)).</p> <p>This approach implicitly assumes that all cost categories increase by the same proportion when a higher value of life is used. But only some of these cost categories would be affected by a change in the value of life used to estimate total crash costs. As a result, 10% is likely to significantly over-state the share borne by the NSW Government of the estimated total annual crash costs.</p> <p>Source:</p> <p>Bureau of Infrastructure, Transport and Regional Economics (BITRE), <i>Cost of road crashes in Australia 2006 – Report 118</i>, 2009, p 24.</p>
(2) Impact on NSW Government budget of potential marginal increase in accidents	Ranging from approximately \$0 to \$0.8 million	Calculation based item number (11) in Table K.3 and item number (1) above.

## K.2 Driver’s licences (Unrestricted licences, Classes C and R)

### Attachment –assumptions and calculations

We used the following assumptions to estimate the administrative burden on licence holders:

**Table K.6 Benefits to holders of driver’s licences**

Assumption	Value	Source/Basis
Total number of unrestricted Class C and R licences	4,252,539	Road and Maritime Services (2013) Table 2.1.6 Licence class by licence type by licence holders age group as at 31 December 2012, <a href="http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table216_2012q4.html">http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table216_2012q4.html</a>
Proportion of licence holders that are in 21-44 age group	42.6%	RMS (2013) Table 2.1.6 Licence class by licence type by licence holders age group as at 31 December 2012, <a href="http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table216_2012q4.html">http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table216_2012q4.html</a>

Assumption	Value	Source/Basis
		<a href="http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table216_2012q4.html">/statistics/registrationandlicensing/tables/table216_2012q4.html</a> , adjusted for the age=20 category using RMS (2013) Table 2.2.3 Licence holders by age by gender as at 31 December 2012, <a href="http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table223_2012q4.html">http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table223_2012q4.html</a>
% of licensees who select a 5-year term	87.1%	RMS (2013) Table 2.2.2 Quarterly trend in licence type/length, <a href="http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table222.html">http://www.rta.nsw.gov.au/publicationsstatisticsforms/statistics/registrationandlicensing/tables/table222.html</a>
Number of unrestricted C and R licensees who select a 5-year term	3,703,264	Number of licences as at 31 December 2012. Road and Maritime Services (2013) Licence holders in NSW - Table 2.2.2 Quarterly trend in licence type/length <a href="http://www.rta.nsw.gov.au/cgi-bin/index.cgi?fuseaction=statstables.show&amp;cat=Licensing">http://www.rta.nsw.gov.au/cgi-bin/index.cgi?fuseaction=statstables.show&amp;cat=Licensing</a> , accessed 28 February 2013
Number of unrestricted C and R licensees who select a 5-year term and in 21-44 age group	1,578,928	$3,703,264 \times 42.6\% = 1,578,928$
Proportion of 5-year term licence holders who switch to 10-year terms	80%	Assumption made as there is no publicly available data on preferences for longer licences.
Proportion of 5-year licence holders who renew each year	20%	Assumption based on equal distribution of renewals each year.
Number of renewals per year for 10-year terms in the first 5 years	252,629	$1,578,928 \times 80\% \times 20\% = 252,629$
Number of renewals per year for 10-year terms in the second 5 years	0	For estimation of future costs and benefits, we assume that 2011/12 licence renewal levels remain constant. Licence holders must renew all 5-year licences in the first 5 years. There will be no renewals of 10-year licences in the second 5 years.
Number of renewals per year for 10-year terms after 10 years	126,314	$252,629 \times 0.5 = 126,314$  We assume approximately half the level of 10-year renewals as occurs in the first 5 years. This reflects current renewals for 5 years occurring only half as often.
Cost of leisure or unemployed time of licensee	$0.5 \times \$34.20 = \$17.10$ per hour	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) 6306.0 - <i>Employee Earnings and Hours, Australia, May 2012</i> .

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Assumption	Value	Source/Basis
Time for licensee to renew licence	0.5 hours	Assumption made as there is no publicly available data on the administrative effort associated with licence purchase or renewal.
Value of annual time savings in the first 5 years	0	All licence holders must renew their licence in the first 5 years.
Value of annual time savings in the second 5 years	\$2.2 million	$252,629 \times 0.5 \times 17.10 = \$2.2 \text{ million (per year)}$
Average value of annual time savings after 10 years	\$1.1 million	$126,314 \times 0.5 \times 17.10 = \$1.1 \text{ million (per year)}$

To calculate the administrative time saving by government from the reform, we have made the following assumptions:

**Table K.7 Benefits to RMS**

Assumption	Value	Source/Basis
Time for RMS to renew a licence	5 min	RMS advised that administrative time to renew a Photo Card or a driver's licence is 4-5 minutes
Cost of time of government	$\$34.20 \times 1.75$ employee on-cost multiplier = \$59.85 per hour	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) 6306.0 - <i>Employee Earnings and Hours, Australia, May 2012</i>
Number of renewals per year for 10-year terms in the first 5 years	252,629	All licence holders must renew their licence in the first 5 years.
Number of renewals per year for 10-year terms in the second 5 years	0	
Number of renewals per year for 10-year terms after 10 years	126,314	
Annual administrative savings in the first 5 years	0	
Annual administrative savings in the second 5 years	\$1.3 million	$252,629 \times (5/60) \times 59.85 = \$1.3 \text{ million (per year)}$
Annual administrative savings after 10 years	\$0.6 million	$126,314 \times (5/60) \times 59.85 = \$0.6 \text{ million (per year)}$



To calculate the costs in terms of road safety of foregone eye testing as a result of the move to the 10-year licence duration, we made the following assumptions:

**Table K.8 Costs of failure to test driver's eye sight**

Assumption	Value	Source/Basis
Prevalence of eye diseases in Australian population	46.6%	AIHW (unknown) <i>Eye health facts</i> <a href="http://www.aihw.gov.au/eye-health-facts/">http://www.aihw.gov.au/eye-health-facts/</a> , accessed 1 July 2013, and ABS 3101.0 - Australian Demographic Statistics, Dec 2012
Factor increase in prevalence (age >45)	3	Assumption about the prevalence of eye disease in older age groups. Factor K means that the frequency of eye diseases/impaired vision in age 45+ group is K times the frequency in age <45.
% population younger than 45 years of age	61%	ABS 3101.0 Australian Demographic Statistics, Dec 2012 <a href="http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0">http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0</a>
Prevalence of eye diseases in population younger than 45 years of age	26.2%	Calculated as = 46.6% / (61% + 39% x 3)
Total number of unrestricted Class C and R licences	4,252,539	Road and Maritime Services (2013) Table 2.1.2 Licence class by licence type as at 30 June 2012 <a href="http://www.rta.nsw.gov.au/publicationsstatistics/forms/statistics/registrationandlicensing/tables/table212_2012q2.html">http://www.rta.nsw.gov.au/publicationsstatistics/forms/statistics/registrationandlicensing/tables/table212_2012q2.html</a>
Drivers 21-44 renewing to a 10 year licence duration (first 5 years)	252,629	Calculated in Table K.6
Drivers 21-44 renewing to a 10 year licence duration (second 5 years)	-	Calculated in Table K.6
Drivers 21-44 renewing to a 10 year licence duration (third 5 years)	126,314	Calculated in Table K.6
Drivers 21-44 with eye sight problems renewing to a 10 year licence duration (first 5 years)	68,595	= 26.2% x 252,629
Drivers 21-44 with eye sight problems not having an eye test in the second 5 years	68,595	As above
Drivers 21-44 with eye sight problems not having an eye test in the third 5 years	-	Everyone who is required to be tested is tested at the renewal of a 10-year licence
% drivers 21-44 with eye sight problems undetected/missed due to not having an eye testing	10-25%	Scenario analysis: Assumptions (s1). See Table K.9 below.

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Assumption	Value	Source/Basis
% of drivers 21-44 with undetected eye sight problems facing and increased risk of accidents	10-25%	Scenario analysis: Assumptions (s2) See Table K.9 below.
Total drivers at elevated risk due to lack of eye testing (second 5 years)	686 - 4,287	Calculated as = s1 x s2 x 68,595
% drivers (C and R unrestricted) facing increased risk	0.02 - 0.10%	Calculated as $\gamma$ = total at elevated risk / 4,252,539
Accident rate, NSW average (per licence holder)	0.88%	Calculated based on Transport for NSW (2012) Table 1 p 16 <a href="http://roadsafety.transport.nsw.gov.au/downloads/crashstats2011.pdf">http://roadsafety.transport.nsw.gov.au/downloads/crashstats2011.pdf</a>
Factor increase in risk	2 – 5	Scenario analysis: Assumptions (K)
Increase in total accident rate	0.0001 - 0.0035%	Calculated = 0.88% x (K-1) x $\gamma$
Total cost of car accidents in NSW, \$m	10,000	Calculated in Table K.3 line (6)
Incremental cost of accidents due to increased risk, first 5 years, \$m (per year)	0	
Incremental cost of accidents due to increased risk, second 5 years, \$m (per year)	0 - 0.4	Calculated = 10,000 x increase in total accident rate
Incremental cost of accidents due to increased risk, third 5 years, \$m (per year)	0 - 0.2	Calculated at 1/2 the costs of the second 5 year interval

**Table K.9 Costs of failure to test driver's eye sight: Scenario analysis calculations**

Assumption	Value 1	Value 2	Value 3
% drivers 21-44 with eye sight problems undetected/missed due to not having an eye testing	10%	15%	25%
% of drivers 21-44 with undetected eye sight problems facing and increased risk of accidents	10%	15%	25%
Total drivers at elevated risk due to lack of eye testing (second 5 years)	686	1,543	4,287
% drivers (C and R unrestricted) facing increased risk	0.02%	0.04%	0.10%
Accident rate, NSW average (per licence holder)	0.88%	0.88%	0.88%
Factor increase in risk	2	3	5
Increase in total accident rate	0.0001%	0.0006%	0.0035%

Assumption	Value 1	Value 2	Value 3
Total cost of car accidents in NSW, \$m	10,000	10,000	10,000
Incremental costs due to lack of eye testing, \$m, second 5 years, (per year)	0.0	0.1	0.4

To calculate the costs in terms of identity theft as a result of moving to a 10-year licence duration, we used the following assumptions:

**Table K.10 Costs of identity theft**

Assumption	Value	Source/Basis
NSW identity theft cases (in the past 5 years)	29,600	ABS 4528.0 Personal Fraud, Australia, 2010-11. Table 3. Published 19 April 2012. <a href="http://www.abs.gov.au/ausstats/abs@.nsf/mf/4528.0/">http://www.abs.gov.au/ausstats/abs@.nsf/mf/4528.0/</a>
Drivers licences lost or stolen in NSW in 5 years	659,387	RMS (2013) Table 2.3.4 Monthly replacement licences by replacement reason, <a href="http://www.rta.nsw.gov.au/publicationsstatisticsfor ms/statistics/registrationandlicensing/tables/table234.html">http://www.rta.nsw.gov.au/publicationsstatisticsfor ms/statistics/registrationandlicensing/tables/table234.html</a>
Average lost and stolen NSW drivers licences (per year)	131,877	As above
Lost and stolen licences as % of NSW licences in force (per year)	2.7%	As above
Identity theft per lost or stolen licence, current 5 year maximum duration, (per year)	0.9%	Calculated as = 29,600/659,387/5
Increase in misuse of licence due to an increased duration	75%	Assumption: longer stated validity of a lost or stolen licence creates more opportunities for intentional misuse by criminals
Identity theft per lost or stolen licence (proposed 10 year duration) (per year)	1.6%	Calculated as = 0.9% x (1+0.75)
Average financial loss per case of identity theft, \$	15,600	ABS 4528.0 Personal Fraud, Australia, 2010-11. Table 2. Published 19 April 2012. <a href="http://www.abs.gov.au/ausstats/abs@.nsf/mf/4528.0/">http://www.abs.gov.au/ausstats/abs@.nsf/mf/4528.0/</a>
Total baseline cost of identity theft, NSW (per year), \$m	92.4	Calculated as = 29,600/5 x \$15,600
Incremental cost of NSW identity theft, \$m (per year)	0.03 - 0.2	See calculations Table K.11 below

**Table K.11 Costs of identity theft: Calculations**

Year	10 year duration licences in force	Lost and stolen 10 year licences	Total lost and stolen	Share of 10 year licences in lost and stolen	Total risk of identity fraud	Increase in risk of identity fraud	Incremental cost of NSW identity theft, \$ (per year)
1	252,6291	6,865	131,877	5.21%	0.93%	0.04%	32,370
2	505,257	13,730	131,877	10.41%	0.97%	0.07%	64,741
3	757,886	20,595	131,877	15.62%	1.00%	0.11%	97,111
4	1,010,514	27,459	131,877	20.82%	1.04%	0.14%	129,482
5	1,263,143	34,324	131,877	26.03%	1.07%	0.18%	161,852
6	1,263,143	34,324	131,877	26.03%	1.07%	0.18%	161,852
7	1,263,143	34,324	131,877	26.03%	1.07%	0.18%	161,852
8	1,263,143	34,324	131,877	26.03%	1.07%	0.18%	161,852
9	1,263,143	34,324	131,877	26.03%	1.07%	0.18%	161,852
10	1,263,143	34,324	131,877	26.03%	1.07%	0.18%	161,852

Source: IPART analysis.

Combining results of Tables K.6 to K.11, Table K.12 presents the summary of net benefits from the proposed reform option.

**Table K.12 Net benefits from driver’s licence reform (\$ per year)**

Time period	Benefits		Costs		Net benefits
	Licensees	Government	Eye sight	Identity theft	
first 5 years (per year)	0	0	0	97,111	(97,111)
second 5 years (per year)	2,159,974	1,259,985	143,931	161,852	3,114,176
third 5 years and thereafter (per year)	1,079,987	629,992	71,965	161,852	1,476,162

Source: IPART analysis.

### K.3 Registration of a Recreational Vessel

#### Impact of reform – assumptions and calculations

We used the following assumptions to estimate the administrative burden on licence holders:

**Table K.13 Estimated administrative savings to licence holders**

Assumption	Value	Source/Basis
Number of annual renewals	219,845	We assume that 2011/12 registration levels remain constant.
Proportion of vessel owners who select a 5-year term	50%	Assumption made as there is no publicly available data on preferences for longer licences
Number of renewals per year in the first year	219,845	For estimation of future costs and benefits, we assume that 2011/12 licence renewal levels remain constant. Vessel owners must renew all registrations in the first year.
Number of renewals per year for the following 4 years	109,923	There will be no renewals of 5-year registrations in the next 4 years. The 50% of owners that select one-year registrations are required to renew each year.
Average number of renewals per year after 5 years	131,907	We assume approximately 20% the level of 5-year renewals as occurs in the first year, as renewals for 5 years occur only 20% as often.
Cost of leisure or unemployed time of licensee	$0.5 \times \$34.20 = \$17.10$ per hour	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) 6306.0 - <i>Employee Earnings and Hours, Australia, May 2012</i> .
Time taken to renew vessel registration	0.25 hours	Assumption as there is limited data available on the time taken by vessel owners to renew vessel registration.
Value of annual time savings in the first year	0	All vessel owners must renew their registration in the first year.
Value of annual time savings in the following 4 years	\$470,000	$109,923 \times 0.25 \times 17.10 = \$469,920$
Average value of annual time savings after 5 years	\$380,000	$(219,845 - 131,907) \times 0.25 \times 17.10 = 87,938 \times 0.25 \times 17.10 = \$375,935$

In addition to the tables above, we used the following assumptions to estimate the administrative burden on government:

**Table K.14 Estimated administrative savings to government**

Assumption	Value	Source/Basis
Cost of time of government employee on-cost multiplier = \$59.85 per hour	\$34.20 x 1.75	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) 6306.0 - <i>Employee Earnings and Hours, Australia, May 2012</i> .
Time for RMS to renew a licence	0.25 hours	Assumption as there is limited data available on the time taken by vessel owners to renew vessel registration.
Value of annual time savings in the first year	0	All vessel owners must renew their registration in the first year.
Value of annual time savings in the following 4 years	\$1.6 million	$109,923 \times 0.25 \times 59.85 = \$1.64$ million.
Average value of annual time savings after 5 years	\$1.3 million	$(219,845 - 131,907) \times 0.25 \times 59.85 = \$1.32$ million.

## K.4 Home Building Licences (and Owner Builder Permits)

### Home Building Licences

#### Number of licences?

There were 15,272 new and 80,172 renewed home building licences in the 2011/12 financial year. As at 30 June 2012 there were 179,918 entities (businesses and individuals) holding 270,672 licences. While some Contractor Licence holders are organisations and corporations, all certificate holders are individual tradespeople.<sup>435</sup>

Licensed entities	Entity type	Number of licences by class			Total
		Contractor Licence	Qualified Supervisor Certificate	Tradesperson Certificate	
151,530	Individual	159,733	58,815	9,411	<b>227,959</b>
22,658	Organisation	33,900	0	0	<b>33,900</b>
5,730	Partnership	8,813	0	0	<b>8,813</b>
179,918					<b>270,672</b>

<sup>435</sup> NSW Fair Trading (2012), *Home Building Licensed Entities*, [http://www.fairtrading.nsw.gov.au/pdfs/About\\_us/Home\\_building\\_licensed\\_entities.pdf](http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_licensed_entities.pdf), accessed 28 February 2013.

### What are the licence fees/administrative costs?

The home building licence's application fees for 2012/13 (including GST) are as follows:<sup>436</sup>

Licence type	New licence		Licence renewal	
	Total fee <sup>a</sup> (processing component)	Validity (processing component)	Total fee (processing)	Validity
Contractor licence	\$599 - \$1,201 (\$260 - \$664)	1 or 3 years	\$400 - \$598 (\$61)	1 or 3 years
Qualified supervisor certificate	\$199 - \$218 (\$77)	3 years	\$0	3 years
Tradesperson certificate	\$131 (\$81)	3 years	\$0	3 years

<sup>a</sup> The cost to obtain and renew a contractor licence varies depending on whether the licensee is an individual, partnership or corporation, and the term of the licence (selected by the licensee). Fees for individual contractor licences are generally half of partnership and corporation fees.

**Note:** Application fee includes a processing fee.

### Impact of reform – assumptions and calculations

We used the following assumptions to estimate the course fees saved by licence and certificate holders:

**Table K.15 Estimated course fee savings for licence and certificate holders**

Assumption	Value	Source/Basis
Number of individuals holding licences or certificates of registration	25,446	The total number of licensed and certified builders and swimming pool builders (NSW Fair Trading, <i>Home Building Licensed Entities</i> , <a href="http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_licensed_entities.pdf">http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_licensed_entities.pdf</a> , accessed 26 June 2013).
Portion of licensed contractors and certificate holders who will not participate in CPD	25%	We have assumed a similar number of licensed contractors and certificate holders will participate in CPD as in Victoria (75%) (Source of Victorian proportion: Building Commission of Victoria, <i>2012 Continuing Professional Development Awards for Registered Building Practitioners</i> ). The remaining portion (25%) will save CPD fees.
The average cost to attain a single CPD point	\$25	The cost to attain a single CPD point ranges from \$15 to \$40 (Source: HIA, Master Builders Association and Points Builder). An average cost per point of \$25 has been assumed in this analysis.

<sup>436</sup> NSW Fair Trading (2012), *Home building fees*, [http://www.fairtrading.nsw.gov.au/About\\_us/Our\\_services/Fees/Home\\_building\\_fees.html](http://www.fairtrading.nsw.gov.au/About_us/Our_services/Fees/Home_building_fees.html), accessed 26 February 2013.

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Assumption	Value	Source/Basis
Number of CPD points per year	12	Source: NSW Fair Trading, <i>CPD Keeping you up to date</i> , 2009.
Annual estimated savings from voluntary CPD	\$1.9 million	$25,446 \times 0.25 \times 25 \times 12 = \$1.91 \text{ million.}$

In addition to the assumptions above, we used the following assumptions to estimate the cost of time saved by licence and certificate holders:

**Table K.16 Estimated time savings for licence and certificate holders**

Assumption	Value	Source/Basis
Number of individuals holding licences or certificates of registration	25,446	The total number of licensed and certified individuals (NSW Fair Trading, <i>Home Building Licensed Entities</i> , <a href="http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_licensed_entities.pdf">http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_licensed_entities.pdf</a> , accessed 26 June 2013).
Portion of licensed contractors and certificate holders who will not participate in CPD	25%	We have assumed a similar number of licensed contractors and certificate holders will participate in CPD as in Victoria (75%) (Source of Victorian proportion: Building Commission of Victoria, <i>2012 Continuing Professional Development Awards for Registered Building Practitioners</i> ). The remaining portion (25%) will save CPD time.
Number of study hours saved per year	15 hours	Assumption based on time required to obtain the required minimum 12 points per year, including allowances for travel. CPD courses award either 1 or 2 points per hour.
Cost of time of business users	\$34.20 x 1.75 employee on-cost multiplier = \$59.85 per hour	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) <i>6306.0 - Employee Earnings and Hours, Australia</i> , May 2012.
Value of annual time savings	\$5.7 million	$25,446 \times 0.25 \times 15 \times 59.85 = \$5.71 \text{ million.}$



In addition to the assumptions above, we used the following assumptions to estimate the value of time saved from reduced reporting requirements related to CPD courses undertaken:

**Table K.17 Estimated time savings from reduced reporting requirements**

Assumption	Value	Source/Basis
Number of individuals holding licences or certificates of registration	25,446	The total number of licensed and certified individuals (NSW Fair Trading, <i>Home Building Licensed Entities</i> , <a href="http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_licensed_entities.pdf">http://www.fairtrading.nsw.gov.au/pdfs/About_us/Home_building_licensed_entities.pdf</a> , accessed 26 June 2013).
Portion of licensed contractors and certificate holders who will not participate in CPD	25%	We have assumed a similar number of licensed contractors and certificate holders will participate in CPD as in Victoria (75%) (Source of Victorian proportion: Building Commission of Victoria, <i>2012 Continuing Professional Development Awards for Registered Building Practitioners</i> ). The remaining portion (25%) will save CPD time.
Number of CPD points per year	12	Source: NSW Fair Trading, <i>CPD Keeping you up to date</i> , 2009.
Time saved from non-compulsory CPD recording	0.1 hours per CPD point	We have assumed a time to input all information based on the layout and data required for record keeping suggested by NSW Fair Trading (Source: NSW Fair Trading, <i>CPD Diary for building</i> , <a href="http://www.fairtrading.nsw.gov.au/pdfs/Tradespeople/cpddiaryforbuilding.pdf">http://www.fairtrading.nsw.gov.au/pdfs/Tradespeople/cpddiaryforbuilding.pdf</a> )
Cost of time of business users	\$34.20 x 1.75 employee on-cost multiplier = \$59.85 per hour	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) <i>6306.0 - Employee Earnings and Hours, Australia, May 2012</i> .
Value of annual time savings	\$460,000	$25,446 \times 0.25 \times 12 \times 0.1 \times 59.85 = \$456,883$

In addition to the assumptions above, we used the following assumptions to estimate the administrative burden on government:

**Table K.18 Estimated administrative savings to government**

Assumption	Value	Source/Basis
Number of licences and certificates renewed annually	8,949	NSW Fair Trading (total renewals as a proportion of total licences is approximately 35.17%: $25,446 \times 0.3517 = 8,949$ )
Reduced time required to verify compulsory CPD qualifications	0.08 hours per renewal	We have assumed government employees will sight and verify CPD records at point of renewal.
Cost of time of business users	$\$34.20 \times 1.75$ employee on-cost multiplier = $\$59.85$ per hour	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) 6306.0 - <i>Employee Earnings and Hours, Australia, May 2012</i> .
Value of annual time savings	$\$40,000$	$8,949 \times 0.08 \times 59.85 = \$42,848$

## Owner Builder Permits

### Impact of reform – assumptions and calculations

To calculate the administrative time saved by owner-builders conducting work valued below \$20,000 from not being required to apply for an owner-builder permit, we used the following assumptions:

**Table K.19 Estimated time savings for owner-builders conducting work valued below \$20,000 from not being required to apply for an owner-builder permit**

Assumption	Value	Source/Basis
Number of annual owner-builder permits required in base case	8,378	We assume that the number of owner-builder projects valued above \$5,000 remains at 2011/12 financial year levels.
Proportion of current owner-builder permit holders performing work valued between \$5,000 and \$20,000	25%	Assumption made as there is no publicly available data on the proportion of owner-builder work in this range.
Number of owner-builders exempted from permit requirements with raised threshold	2,095	$0.25 \times 8,378 = 2,095$

Assumption	Value	Source/Basis
Administrative time to complete and submit owner-builder permit application form	1 hour	Assumption as there is no publicly available data available on the administrative effort associated with applying for an owner-builder permit.
Cost of leisure or unemployed time of licensee	$0.5 \times \$34.20 = \$17.10$ per hour	Better Regulation Office (2012), <i>Guidelines for estimating savings under the red tape reduction target</i> , updated with May 2012 data from the ABS (2013) 6306.0 - <i>Employee Earnings and Hours, Australia, May 2012</i> .
Annual administrative savings	\$40,000	$2,095 \times 1 \times \$17.10 = \$35,825$

To calculate the time saved by owner-builders conducting work valued below \$20,000 from the removal of training requirements, we used the above assumptions, plus the following:

**Table K.20 Estimated time saved by owner-builders conducting work valued below \$20,000 from the removal of training requirements**

Assumption	Value	Source/Basis
Proportion of owner-builders performing work valued between \$12,000 and \$20,000	15%	Assumption made as there is no publicly available data on the proportion of owner-builder work in this range.
Number of owner-builders exempted from training requirements with raised threshold	1,257	$0.15 \times 8,378 = 1,257$
Time taken to complete training course	1 week = 35 hours	Assumption based on high-level online review of service provider offerings.
Proportion of owner-builders conducting work valued between \$12,000 and \$20,000 who choose not to take a course absent requirement	50%	Assumption as there is no publicly available data available on the preferences of owner-builders for training.
Annual savings	\$380,000	$1,257 \times 35 \times 0.5 \times \$17.10 = \$376,157$

To calculate the fees saved by owner-builders conducting work valued between \$12,000 and \$20,000 from the removal of training requirements, we used the above assumptions, plus the following:

**Table K.21 Estimated fees saved by owner-builders conducting work valued between \$12,000 and \$20,000 from the removal of training requirements**

Assumption	Value	Source/Basis
Course fees	\$246	$\$188 + \$58 = \$246$
Annual savings	\$150,000	$1,257 \times 0.5 \times \$246 = \$154,611$

To calculate the application fees saved by owner-builders conducting work valued below \$20,000 from not applying for an owner-builder permit, we used the above assumptions plus the following:

**Table K.22 Fee savings by owner-builders conducting work valued below \$20,000**

Assumption	Value	Source/Basis
Number of currently licensed owner-builders performing work valued between \$5,000 and \$20,000	2,095 per year	As above
Application fee per permit	\$159	
Annual savings	\$330,000	2,095 x \$159 = \$333,105

To calculate the continued compliance and enforcement costs no longer recovered from fees from owner-builders undertaking work valued between \$5,000 and \$20,000, we used the above assumptions plus the following:

**Table K.23 Compliance and enforcement costs to owner-builders conducting work valued between \$5,000 and \$20,000**

Assumption	Value	Source/Basis
Number of currently licensed owner-builders performing work valued between \$5,000 and \$20,000	2,095 per year	As above
Non-processing component of fee per permit	\$159 - \$61 = \$98	
Annual cost	\$210,000	2,095 x \$98 = \$205,310

## L Estimating potential gains from licence reform scenarios – Data and statistics

**Table L.1 Licence area descriptions and codes**

Licence area code	Licence area description	Count	Percentage
1	Ageing, disability or children	19	6.1%
2	Business registration	3	1.0%
3	Culture or recreation	6	1.9%
4	Dangerous goods	3	1.0%
5	Electricity, gas or water	27	8.7%
6	Environment, plants or animals	42	13.5%
7	Firearms/weapons	10	3.2%
8	Food	21	6.8%
9	Health or pharmaceutical	18	5.8%
10	Liquor, gaming or racing	16	5.2%
11	Mining	17	5.5%
12	Occupational (eg, required to practice in professional occupation)	41	13.2%
13	Other	36	11.6%
14	Private transport	23	7.4%
15	Residential or commercial works	10	3.2%
16	Use of council land	-	-
17	Public transport	18	5.8%
	Total	310	100.0%

**Source:** NSW Government Department licence survey, 310 'significant' licences subsample.

**Table L.2 ABS Industry/Product codes**

Industry code	Description
0101	Sheep, Grains, Beef and Dairy Cattle
0102	Poultry and Other Livestock
0103	Other Agriculture
0201	Aquaculture
0301	Forestry and Logging
0401	Fishing, hunting and trapping
0501	Agriculture, Forestry and Fishing Support Services

Industry code	Description
0601	Coal mining
0701	Oil and gas extraction
0801	Iron Ore Mining
0802	Non Ferrous Metal Ore Mining
0901	Non Metallic Mineral Mining
1001	Exploration and Mining Support Services
1101	Meat and Meat product Manufacturing
1102	Processed Seafood Manufacturing
1103	Dairy Product Manufacturing
1104	Fruit and Vegetable Product Manufacturing
1105	Oils and Fats Manufacturing
1106	Grain Mill and Cereal Product Manufacturing
1107	Bakery Product Manufacturing
1108	Sugar and Confectionery Manufacturing
1109	Other Food Product Manufacturing
1201	Soft Drinks, Cordials and Syrup Manufacturing
1202	Beer Manufacturing
1205	Wine, Spirits and Tobacco
1301	Textile Manufacturing
1302	Tanned Leather, Dressed Fur and Leather Product Manufacturing
1303	Textile Product Manufacturing
1304	Knitted Product Manufacturing
1305	Clothing Manufacturing
1306	Footwear Manufacturing
1401	Sawmill Product Manufacturing
1402	Other Wood Product Manufacturing
1501	Pulp, Paper and Paperboard Manufacturing
1502	Paper Stationery and Other Converted Paper Product Manufacturing
1601	Printing (including the reproduction of recorded media)
1701	Petroleum and Coal Product Manufacturing
1801	Human Pharmaceutical and Medicinal Product Manufacturing
1802	Veterinary Pharmaceutical and Medicinal Product Manufacturing
1803	Basic Chemical Manufacturing
1804	Cleaning Compounds and Toiletry Preparation Manufacturing
1901	Polymer Product Manufacturing
1902	Natural Rubber Product Manufacturing
2001	Glass and Glass Product Manufacturing
2002	Ceramic Product Manufacturing
2003	Cement, Lime and Ready-Mixed Concrete Manufacturing
2004	Plaster and Concrete Product Manufacturing
2005	Other Non-Metallic Mineral Product Manufacturing

Industry code	Description
2101	Iron and Steel Manufacturing
2102	Basic Non-Ferrous Metal Manufacturing
2201	Forged Iron and Steel Product Manufacturing
2202	Structural Metal Product Manufacturing
2203	Metal Containers and Other Sheet Metal Product manufacturing
2204	Other Fabricated Metal Product manufacturing
2301	Motor Vehicles and Parts; Other Transport Equipment manufacturing
2302	Ships and Boat Manufacturing
2303	Railway Rolling Stock Manufacturing
2304	Aircraft Manufacturing
2401	Professional, Scientific, Computer and Electronic Equipment Manufacturing
2403	Electrical Equipment Manufacturing
2404	Domestic Appliance Manufacturing
2405	Specialised and other Machinery and Equipment Manufacturing
2501	Furniture Manufacturing
2502	Other Manufactured Products
2601	Electricity Generation
2605	Electricity Transmission, Distribution, On Selling and Electricity Market Operation
2701	Gas Supply
2801	Water Supply, Sewerage and Drainage Services
2901	Waste Collection, Treatment and Disposal Services
3001	Residential Building Construction
3002	Non-Residential Building Construction
3101	Heavy and Civil Engineering Construction
3201	Construction Services
3301	Wholesale Trade
3901	Retail Trade
4401	Accommodation
4501	Food and Beverage Services
4601	Road Transport
4701	Rail Transport
4801	Water, Pipeline and Other Transport
4901	Air and Space Transport
5101	Postal and Courier Pick-up and Delivery Service
5201	Transport Support services and storage
5401	Publishing (except Internet and Music Publishing)
5501	Motion Picture and Sound Recording
5601	Broadcasting (except Internet)
5701	Internet Publishing and Broadcasting and Services Providers, Websearch Portals and Data Processing Services
5801	Telecommunication Services

Industry code	Description
6001	Library and Other Information Services
6201	Finance
6301	Insurance and Superannuation Funds
6401	Auxiliary Finance and Insurance Services
6601	Rental and Hiring Services (except Real Estate)
6701	Ownership of Dwellings
6702	Non-Residential Property Operators and Real Estate Services
6901	Professional, Scientific and Technical Services
7001	Computer Systems Design and Related Services
7201	Building Cleaning, Pest Control, Administrative and Other Support Services
7501	Public Administration and Regulatory Services
7601	Defence
7701	Public Order and Safety
8001	Education and Training
8401	Health Care Services
8601	Residential Care and Social Assistance Services
8901	Heritage, Creative and Performing Arts
9101	Sports and Recreation
9201	Gambling
9401	Automotive Repair and Maintenance
9402	Other Repair and Maintenance
9501	Personal Services
9502	Other Services

**Source:** ABS 5209.0.55.001 Australian National Accounts: Input-Output Tables - 2008-09. Released 10 September 2012.



**Table L.3 Mapping between Input-Output sectors and the survey licence area**

Licence area code	Licence area descriptor	ABS 10 Industry group concordance
1	Ageing, disability or children	8001, 8601
2	Business registration	-
3	Culture or recreation	8901
4	Dangerous goods	1701, 1803
5	Electricity, gas or water	2601, 2605, 2701, 2801, 2901
6	Environment, plants or animals	0101, 0102, 0103, 0201, 0301, 0401, 0501
7	Firearms/weapons	-
8	Food	1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1201, 1202, 1205
9	Health or pharmaceutical	1801, 1802, 8401
10	Liquor, gaming or racing	4501, 9201
11	Mining	0601, 0701, 0801, 0802, 0901, 1001
12	Occupational (eg, required to practice in professional occupation)	6702, 6901, 7201, 9401, 9402, 9501
13	Other	-
14	Private transport	-
15	Residential or commercial works	3001, 3002, 3101, 3201
16	Use of council land	-
17	Public transport <sup>a</sup>	4601, 4701, 4801, 4901, 5101, 5201

<sup>a</sup> Public transport is defined as mass transit transport regardless of ownership.

**Source:** ABS 5209.0.55.001 Australian National Accounts: Input-Output Tables - 2008-09. Released 10 September 2012. NSW Government Department licence survey.

**Table L.4 Components of structural multiplier based by licence area**

Licence area	m1	m2	m3	m4
Ageing, disability or children	.0529	.0452	.1057	.0001
Business registration	.0000	.0000	.0000	.0000
Culture or recreation	.4472	.0026	.0061	.0141
Dangerous goods	.7133	.0322	.0030	.0000
Electricity, gas or water	.6948	.0220	.0127	.0008
Environment, plants or animals	.7038	.0276	.0333	.0023
Firearms/weapons	.0000	.0000	.0000	.0000
Food	.4026	.0408	.0238	.0003
Health or pharmaceutical	.0684	.0327	.0616	.0002
Liquor, gaming or racing	.1508	.0254	.0488	.0307
Mining	.4091	.0831	.0174	.0000
Occupational (eg, required to practice in professional occupation)	.8177	.1440	.1419	.0006
Other	.0000	.0000	.0000	.0000
Private transport	.0000	.0000	.0000	.0000
Residential or commercial works	.3760	.1198	.0997	.0002
Public transport	.5344	.0608	.0561	.0010

**Note:**

m1 - share of intermediate goods in total sectoral output.

m2 - share of the sector in total output.

m3 - share of sectoral employment in total employment.

m4 - share of licence revenue in total NSW Gross State Product (GSP). See Appendix G for detail.

**Source:** Aggregation of IO Tables based on mapping Table L.3; licence revenue from NSW survey data.

**Table L.5 Estimated mean policy scores (6 reform categories and total) by licence area**

Licence area	RC1_DUR	RC2_CON	RC3_REV	RC4_FEE	RC5_ENF	RC6_ADM	RC_TOT
Ageing, disability or children	.67	.39	.17	.22	.38	.58	.41
Business registration	.50	.75	.39	.17	.40	.74	.49
Culture or recreation	.25	.00	.39	.43	.20	.52	.30
Dangerous goods	.50	.75	.39	.67	.20	.92	.57
Electricity, gas or water	.54	.36	.35	.45	.34	.81	.48
Environment, plants or animals	.67	.33	.43	.32	.32	.85	.49
Firearms/weapons	.10	.63	.48	.77	.22	.79	.50
Food	.95	.00	.08	.12	.42	.36	.32
Health or pharmaceutical	.41	.31	.18	.33	.26	.93	.41
Liquor, gaming or racing	.62	.52	.27	.49	.15	.77	.47
Mining	.43	.00	.11	.64	.58	.91	.49
Occupational (eg, required to practice in professional occupation)	.60	.53	.12	.39	.17	.62	.44
Other	.18	.17	.30	.39	.21	.70	.33
Private transport	.63	.31	.37	.10	.28	.78	.43
Residential or commercial works	.00	.13	.33	.43	.22	.56	.29
Public transport	.59	.46	.20	.64	.40	.60	.47

**Note:**

RC1\_DUR - policy score for licence duration.

RC2\_CON - policy score for conditions of the licence.

RC3\_REV - policy score for licence review process.

RC4\_FEE - policy score for licence fee setting policies.

RC5\_ENF - policy score for compliance and enforcement.

RC6\_ADM - policy score for licence administration.

RC\_TOT – total licence policy score. See Appendix G for detail.

**Source:** NSW Government Department licence survey data, IPART analysis.

**Table L.6** Estimated structural, policy and total burden multipliers by licence area, and a comparable HYS multiplier

Licence area	Structural ratio	Policy ratio	Total burden	HYS multiplier
Ageing, disability or children	1.22	1.41	1.71	3.64
Business registration	1.00	1.49	1.49	1.25
Culture or recreation	1.48	1.30	1.92	65.61
Dangerous goods	1.77	1.57	2.79	22.82
Electricity, gas or water	1.76	1.48	2.60	2.98
Environment, plants or animals	1.81	1.49	2.70	3.13
Firearms/weapons	1.00	1.50	1.50	11.65 <sup>a</sup>
Food	1.50	1.32	1.98	3.93
Health or pharmaceutical	1.17	1.41	1.65	1.25
Liquor, gaming or racing	1.28	1.47	1.87	1.25
Mining	1.55	1.49	2.31	1.25
Occupational (eg, required to practice in professional occupation)	2.38	1.44	3.42	3.56 <sup>a</sup>
Other	1.00	1.33	1.33	1.25
Private transport	1.00	1.43	1.43	1.43
Residential or commercial works	1.69	1.29	2.18	3.32 <sup>a</sup>
Public transport	1.72	1.47	2.53	1.25

<sup>a</sup> Estimates were statistically significant at the 5% level.

**Note:** The *Have your say* survey is not a representative sample of licence holders.

**Source:** NSW Government Department licence survey data and *Have your say* survey of licence holders, IPART analysis.

**Table L.7 Estimated gains from policy reform scenarios, by licence area**

Licence area	RATIO_SC1_DUR	RATIO_SC2_CON	RATIO_SC3_REV	RATIO_SC4_FEE	RATIO_SC5_ENF	RATIO_SC6_ADM	RATIO_SC_TOT
Ageing, disability or children	.13	.09	.04	.05	.09	.12	.50
Business registration	.09	.13	.08	.04	.08	.13	.49
Culture or recreation	.06	.00	.10	.11	.06	.13	.44
Dangerous goods	.16	.25	.15	.23	.08	.29	1.01
Electricity, gas or water	.16	.12	.12	.15	.12	.24	.84
Environment, plants or animals	.21	.11	.15	.11	.11	.26	.88
Firearms/weapons	.02	.11	.09	.14	.05	.14	.50
Food	.20	.00	.02	.04	.11	.10	.48
Health or pharmaceutical	.08	.07	.04	.07	.06	.17	.48
Liquor, gaming or racing	.13	.12	.07	.12	.04	.17	.60
Mining	.12	.00	.04	.18	.15	.24	.76
Occupational (eg required to practice in professional occupation)	.24	.22	.06	.17	.08	.25	1.05
Other	.03	.03	.05	.07	.04	.11	.33
Private transport	.10	.06	.07	.02	.05	.13	.43
Residential or commercial works	.00	.03	.10	.12	.07	.15	.49
Public transport	.17	.15	.07	.20	.12	.18	.81

**Note:** RATIO\_SC(n) - gains from partial reform of the <sup>n</sup><sup>th</sup> licence category as per Table L.5. RATIO\_SC\_TOT – gains from full reform. See Appendix G for detail.

**Source:** NSW Government Department licence survey data and Have your say survey of licence holders, IPART analysis.

## M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Table M.1 indicates the licence design and administration areas that could potentially be improved or reformed for each of the 310 'significant' licence types by department and agency, based on the raw data provided in their questionnaire responses.

A red 'overall policy score' indicates an equal to or above the median overall policy score for the licence type (estimated using our policy scoring methodology detailed in Chapter 4).

The policy score breakdown for each licence type is based on the benchmark licence design and administration characteristics presented in Table 4.1.

A tick '✓' indicates that the licence type scored equal to or above the median score for the relevant category, which *may* be an indication that this area could potentially be improved or reformed, and should be used as a guide for regulators in reviewing their licences.

It should be noted that our:

- ▼ policy scoring methodology allowed only a high-level assessment for prioritising licences for reform
- ▼ licence survey was undertaken at a particular point in time (late 2012) – we collected data for the period 1 July 2011 to 30 June 2012 and our analysis is based on that data, so any changes to licences and/or the regulatory environment since this time will not be reflected in the survey data or analysis.

Section 4.1.2 further discusses the limitations of our policy scoring approach.

**Table M.1 'Significant' licences – Licence design and administration areas that could be improved or reformed (by department and agency)**

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
AGD	Anti-Discrimination Board	Exemptions Granted	✓		✓	✓	✓		0.41
AGD	Department level licence	Application to Minister for admission as JP			✓	✓			<b>0.43</b>
AGD	Department level licence	Approval of professional standards indemnity limitation schemes	✓			✓	✓		0.32
AGD	Industrial Relations Commission of NSW	Registration as an industrial organisation	✓		✓		✓		0.31
AGD	Legal Profession Admission Board	Appointment as a public notary		✓	✓	✓		✓	<b>0.57</b>
AGD	Legal Profession Admission Board	Certificate of Admission as a Lawyer	✓		✓	✓		✓	0.37
AGD	NSW Police Force	Approval of a Shooting Range	✓			✓	✓	✓	0.41
AGD	NSW Police Force	Commercial Agent and Private Inquiry Agent - Master Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)				✓	✓	✓	0.31

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
AGD	NSW Police Force	Commercial Agent and Private Inquiry Agent - Operator Licence (subcategories: process serving, debt collection, repossession of goods, surveillance of persons and investigation of persons)				✓	✓	✓	0.31
AGD	NSW Police Force	Employee authority for a Firearms Dealer	✓		✓	✓	✓	✓	0.45
AGD	NSW Police Force	Firearm Dealer/ Club Armourer Licence	✓		✓	✓	✓	✓	0.51
AGD	NSW Police Force	Firearms Licence (either for Sport/Target Shooting, Rec hunting/Vermin Control, Primary production, vertebrate Pest Animal Control, Business or Employment, Rural Occupation, Animal Welfare, Firearms Collection)	✓		✓	✓	✓		0.39
AGD	NSW Police Force	Firearms permit (includes for Museum, Heirloom, High Calibre Pistol, Pistol Permit, Purchase a Non-Prohibited Firearm on Leaving Australia, Security Firm Employee, Silencer - Firearm with silencer, Starting Pistol and Storage of Firearms in NSW)	✓		✓	✓		✓	0.53
AGD	NSW Police Force	Paint-ball Gun Permit	✓		✓	✓	✓	✓	0.49

M All 'significant' licences grouped according to NSW Government department – policy score breakdown



Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
AGD	NSW Police Force	Permit to Acquire Firearms (PTA)	✓	✓	✓	✓	✓		0.55
AGD	NSW Police Force	Permit to Conduct Paint-Ball Games	✓		✓	✓	✓	✓	0.58
AGD	NSW Police Force	Registration of Firearms	✓		✓	✓	✓	✓	0.55
AGD	NSW Police Force	Security Industry - Class 1 Licence				✓		✓	0.22
AGD	NSW Police Force	Security Industry - Class 2 Licence				✓		✓	0.22
AGD	NSW Police Force	Security Industry - Master Licence				✓		✓	0.22
AGD	NSW Police Force	Security Industry - Provisional Licence		✓		✓		✓	0.39
AGD	NSW Police Force	Weapons Dealer Permit			✓	✓		✓	0.48
AGD	NSW Rural Fire Service	Fire Permit				✓	✓	✓	0.31
AGD	NSW Rural Fire Service	Section100B Authority	✓	✓		✓			0.37
AGD	Registry of Births, Deaths and Marriages	Applications for the issue of Certificates and other services (excluding the conduct of marriage ceremonies) in regard to Marriages registered in NSW							0.12
AGD	Registry of Births, Deaths and Marriages	Applications for the issue of Certificates and other services in regard to Births registered in NSW	✓						0.19

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
AGD	Registry of Births, Deaths and Marriages	Applications for the issue of Certificates and other services in regard to Deaths registered in NSW	✓						0.22
AGD	Registry of Births, Deaths and Marriages	Applications for the issue of Certificates in regard to Changes of Name registered in NSW	✓					✓	0.29
AGD	Registry of Births, Deaths and Marriages	Applications for the issue of Certificates in regard to Family History	✓						0.22
AGD	Registry of Births, Deaths and Marriages	Applications for the issue of Certificates in regard to Relationships							0.12
AGD	Registry of Births, Deaths and Marriages	Applications for the issue of Certificates in regard to Single Status	✓						0.26
AGD	Registry of Births, Deaths and Marriages	Conduct of Civil Marriage Ceremonies	✓					✓	0.29
AGD	Registry of Births, Deaths and Marriages	Registration of approved Changes of Name of persons resident in, or deemed to be residents of, NSW.	✓						0.21
AGD	Registry of Births, Deaths and Marriages	Registration of Births in, or deemed to be in, NSW.	✓			✓		✓	0.30
AGD	Registry of Births, Deaths and Marriages	Registration of Deaths in, or deemed to be in, NSW.	✓						0.22

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
AGD	Registry of Births, Deaths and Marriages	Registration of Marriages in, or deemed to be in, NSW.	✓						0.22
AGD	Registry of Births, Deaths and Marriages	Registration of Relationships of persons resident in, or deemed to be residents of, NSW.							0.13
DFS	Board of Surveying and Spatial Information	Land surveyor		✓	✓	✓	✓		0.45
DFS	Board of Surveying and Spatial Information	Mine surveyor		✓	✓	✓	✓		0.45
DFS	Land and Housing Corporation	Licences over Land & Housing Corporations Real Property Assets.	✓		✓				0.41
DFS	Long Service Corporation	Registration as a worker (building and construction)	✓		✓	✓	✓		0.38
DFS	Long Service Corporation	Registration as an employer (building and construction)	✓		✓		✓		0.34
DFS	Long Service Corporation	Registration as worker (contract cleaning)	✓		✓		✓		0.34
DFS	Motor Accidents Authority	Insurer's licence		✓		✓	✓		0.56
DFS	NSW Architects Registration Board	Registration as architect (full)	✓	✓	✓	✓	✓		0.60
DFS	NSW Fair Trading	Business Agent		✓	✓				0.59
DFS	NSW Fair Trading	Certificate of Registration as a Business Salesperson		✓	✓				0.59
DFS	NSW Fair Trading	Certificate of Registration as a Real estate Salesperson		✓	✓				0.59

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DFS	NSW Fair Trading	Certificate of Registration as a Registered Manager		✓	✓				0.59
DFS	NSW Fair Trading	Certificate of Registration as a Stock and Station Salesperson		✓	✓				0.59
DFS	NSW Fair Trading	Corporation Licence		✓	✓				0.59
DFS	NSW Fair Trading	Home Building licences	✓	✓	✓	✓	✓		0.46
DFS	NSW Fair Trading	Motor dealer (includes dealer, auto dismantler wholesaler, motor vehicle parts reconstructor, car market operator and motor vehicle consultant)			✓				0.35
DFS	NSW Fair Trading	Motor vehicle repairers licence			✓				0.35
DFS	NSW Fair Trading	On-site Residential Property Manager		✓	✓				0.59
DFS	NSW Fair Trading	Owner Builder Permit	✓			✓	✓		0.41
DFS	NSW Fair Trading	Real Estate Agent		✓	✓				0.59
DFS	NSW Fair Trading	Registration of incorporated association	✓		✓	✓			0.31
DFS	NSW Fair Trading	Stock and Station Agent		✓	✓				0.59
DFS	NSW Fair Trading	Strata Managing Agent		✓	✓				0.59
DFS	NSW Fair Trading	Tradesperson's certificate			✓				0.31
DFS	NSW Fair Trading	Travel agent			✓				0.35
DFS	NSW Fair Trading	Valuer		✓	✓				0.44
DFS	WorkCover NSW	Asbestos and Demolition licence	✓			✓	✓		0.26

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DFS	WorkCover NSW	Construction Induction Card	✓			✓	✓		0.21
DFS	WorkCover NSW	Licence for high risk work	✓			✓	✓		0.21
DFS	WorkCover NSW	Registration of a Plant Item	✓			✓	✓		0.32
DFS	WorkCover NSW	Self-insurer's licence	✓	✓	✓	✓	✓	✓	0.66
DFS	WorkCover NSW	Specialised Insurer's licence	✓	✓	✓	✓	✓	✓	0.66
DFS	WorkCover NSW	Unsupervised Handling Licence				✓	✓		0.32
DPC	Barangaroo Delivery Authority	Roads permits and approvals	✓		✓	✓	✓	✓	0.45
DPC	Department level licence	Approval of a State Funeral						✓	0.25
DPC	Department level licence	Authorisation to carry out commercial and other activities at major event venue or facility						✓	0.33
DPC	Department level licence	Registration of an event under Hallmark status						✓	0.21
DPC	Department of Planning and Infrastructure	Agistment Licence	✓	✓		✓		✓	0.64
DPC	Department of Planning and Infrastructure	BASIX Certificate				✓			0.12
DPC	Department of Planning and Infrastructure	Individual Private Accredited Certifiers - building surveying and subdivision	✓	✓		✓	✓	✓	0.71
DPC	Division of Local Government	Accreditation as an Authorised Identifier	✓		✓			✓	0.58

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DPC	Division of Local Government	Registration of companion animal	✓			✓		✓	0.39
DPC	Environment Protection Authority	Dangerous Goods Bulk Vehicle Licence	✓	✓	✓	✓	✓	✓	0.65
DPC	Environment Protection Authority	Dangerous Goods Driver Licence	✓		✓	✓	✓	✓	0.49
DPC	Environment Protection Authority	Environment Protection Licence	✓	✓			✓		0.41
DPC	Environment Protection Authority	Radiation Registration			✓		✓	✓	0.34
DPC	Environment Protection Authority	Radiation Sell/Possess Licence		✓	✓		✓	✓	0.41
DPC	Environment Protection Authority	Radiation User Licence		✓	✓		✓	✓	0.42
DPC	IPART	Gas Distributor's licence (LPG)	✓		✓	✓		✓	0.53
DPC	IPART	Natural Gas Retail Suppliers authorisation <sup>a</sup>	✓		✓	✓	✓	✓	0.59
DPC	IPART	Natural Gas Reticulator's Authorisation	✓		✓	✓		✓	0.56
DPC	IPART	Network Operator Licence	✓	✓		✓	✓		0.51
DPC	IPART	Operating licence	✓				✓	✓	0.31
DPC	IPART	Retail electricity distributor's licence	✓	✓		✓	✓	✓	0.62

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DPC	IPART	Retail electricity supplier's licence <sup>a</sup>	✓		✓	✓	✓	✓	0.49
DPC	IPART	Retail Supplier's Licence (Water)	✓	✓	✓	✓	✓	✓	0.62
DPC	Office of Environment and Heritage	Applications for archaeological excavation permits	✓			✓	✓		0.30
DPC	Office of Environment and Heritage	Applications for changes to State Heritage Register items	✓			✓	✓		0.30
DPC	Office of Environment and Heritage	Chiller premise registration	✓	✓	✓		✓	✓	0.66
DPC	Office of Environment and Heritage	Fauna Dealer's Licence	✓	✓	✓		✓	✓	0.64
DPC	Office of Environment and Heritage	Kangaroo Harvesters Licence	✓	✓	✓		✓	✓	0.61
DPC	Office of Environment and Heritage	NABERS Accredited Assessor Agreement	✓	✓	✓	✓	✓		0.63
DPC	Office of Environment and Heritage	Native Animal Keeper's Licence - Reptile Keeper's Licence					✓		0.09
DPC	Office of Environment and Heritage	Occupiers Licence (Protected Fauna)	✓	✓	✓		✓	✓	0.61
DPC	Office of Environment and Heritage	Public Accommodation Licence		✓	✓	✓	✓	✓	0.60

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DPC	Office of Environment and Heritage	Skin Dealers Licence (Protected Fauna)	✓	✓	✓		✓	✓	0.59
DPC	Office of Environment and Heritage	Tenancy Licence			✓			✓	0.56
DTIRIS	Ausgrid	Authorisation of Level 1 and Level 2 Accredited Service providers to carry out contestable work on or near the distribution network.	✓	✓	✓	✓	✓	✓	0.69
DTIRIS	Department of Primary Industries	Abattoir Licence		✓			✓		0.32
DTIRIS	Department of Primary Industries	Animal Food Processing Plant Licence/Field Depot		✓			✓		0.32
DTIRIS	Department of Primary Industries	Animal Food Van Licence		✓			✓		0.32
DTIRIS	Department of Primary Industries	Animal Supply	✓	✓		✓	✓		0.48
DTIRIS	Department of Primary Industries	Animal/Cetacea Display Establishment Licence	✓	✓		✓			0.41
DTIRIS	Department of Primary Industries	Apiary Occupation Permit (Bee Keeping Permit)	✓		✓		✓	✓	0.31
DTIRIS	Department of Primary Industries	Approval to construct a basic landholder rights (domestic and stock) groundwater works	✓	✓			✓		0.37
DTIRIS	Department of Primary Industries	Approval to undertake authorised work	✓					✓	0.63
DTIRIS	Department of Primary Industries	Aquaculture Lease	✓	✓			✓		0.56

M All 'significant' licences grouped according to NSW Government department – policy score breakdown



Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	Department of Primary Industries	Aquaculture permit	✓	✓			✓	✓	0.60
DTIRIS	Department of Primary Industries	Authorisation of plantation or proposed plantation					✓		0.16
DTIRIS	Department of Primary Industries	Authorisation to Exhibit Animals at Temporary Establishments	✓	✓		✓			0.41
DTIRIS	Department of Primary Industries	Bore licences Water Act 1912 only <sup>b</sup>	✓		✓	✓	✓	✓	0.62
DTIRIS	Department of Primary Industries	Charter Fishing Boat Licence	✓	✓	✓	✓	✓	✓	0.60
DTIRIS	Department of Primary Industries	Commercial Fishing Boat Licence	✓	✓	✓	✓	✓	✓	0.54
DTIRIS	Department of Primary Industries	Commercial Fishing Licence	✓	✓	✓	✓	✓	✓	0.58
DTIRIS	Department of Primary Industries	Contractors Licence	✓			✓	✓	✓	0.35
DTIRIS	Department of Primary Industries	Controlled activity approval		✓			✓	✓	0.36
DTIRIS	Department of Primary Industries	Crown Land Tenure (Lease, Licence or Permit)	✓		✓		✓	✓	0.42
DTIRIS	Department of Primary Industries	Dairy Farmer - Cows milk production		✓			✓		0.35
DTIRIS	Department of Primary Industries	Domestic Waterfront Tenancy		✓	✓			✓	0.47
DTIRIS	Department of Primary Industries	Enclosure permit for roads or watercourses	✓		✓	✓	✓	✓	0.54
DTIRIS	Department of Primary Industries	Fisheries Section 37 permit					✓	✓	0.23

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	Department of Primary Industries	Food Safety Certificates				✓	✓	✓	0.23
DTIRIS	Department of Primary Industries	Food Safety Supervisor (FSS) notification	✓		✓	✓		✓	0.45
DTIRIS	Department of Primary Industries	Forest Materials Licence	✓	✓	✓	✓	✓	✓	0.57
DTIRIS	Department of Primary Industries	Game Meat Processing Plant Licence/Field Depot		✓			✓		0.32
DTIRIS	Department of Primary Industries	General Commercial Game Hunting Licence		✓	✓	✓	✓		0.48
DTIRIS	Department of Primary Industries	General Game Hunting Licence (G-Licence)					✓		0.15
DTIRIS	Department of Primary Industries	General Guide Licence		✓			✓		0.29
DTIRIS	Department of Primary Industries	Knackery Licence		✓			✓		0.32
DTIRIS	Department of Primary Industries	Licence as a Farm Milk Collector		✓			✓		0.32
DTIRIS	Department of Primary Industries	Licence for a food premise to process or store plant products		✓			✓		0.35
DTIRIS	Department of Primary Industries	Licence for a food premise to produce, process or store eggs and egg related products		✓			✓		0.32
DTIRIS	Department of Primary Industries	Licence for a food premise to produce, process, or store milk or dairy products		✓			✓		0.35

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	Department of Primary Industries	Licence for a food transport business for dairy, meat, plant products, seafood, eggs & egg related products & game meat		✓			✓		0.32
DTIRIS	Department of Primary Industries	Licence for Cold Food storage Multi (Licence for a food business to store dairy, meat, plant products, seafood, eggs & egg related products)		✓			✓		0.32
DTIRIS	Department of Primary Industries	Licence to Establish or Maintain an Apiary on a Reserve	✓	✓	✓	✓	✓	✓	0.60
DTIRIS	Department of Primary Industries	Marine park permit - commercial	✓	✓	✓	✓	✓		0.48
DTIRIS	Department of Primary Industries	Meat Processing Plant Licence		✓			✓		0.32
DTIRIS	Department of Primary Industries	Notification of a Food Business	✓		✓	✓			0.43
DTIRIS	Department of Primary Industries	Operators Licence (Forestry)	✓		✓	✓	✓	✓	0.40
DTIRIS	Department of Primary Industries	Permit to Exhibit a Prescribed Species of Animal	✓	✓		✓			0.41
DTIRIS	Department of Primary Industries	Pipeline Licence		✓			✓	✓	0.40
DTIRIS	Department of Primary Industries	Plant Health Certificates	✓		✓	✓		✓	0.48
DTIRIS	Department of Primary Industries	Products Licence (Forestry)	✓	✓	✓			✓	0.68

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	Department of Primary Industries	Recreational Fishing Fee	✓	✓		✓	✓		0.48
DTIRIS	Department of Primary Industries	Registered Fish Receiver	✓	✓	✓	✓	✓	✓	0.67
DTIRIS	Department of Primary Industries	Rendering Plant		✓			✓		0.32
DTIRIS	Department of Primary Industries	Restricted Game Hunting Licence (R-Licence)					✓		0.07
DTIRIS	Department of Primary Industries	Retail Meat Premises		✓			✓		0.32
DTIRIS	Department of Primary Industries	Seafood Licence (Non-Shellfish Harvesters) Includes seafood processors and handling of live caught seafood.		✓			✓		0.32
DTIRIS	Department of Primary Industries	Seafood Licence (Shellfish Harvester)		✓			✓		0.32
DTIRIS	Department of Primary Industries	Section 15B Certificate				✓			0.31
DTIRIS	Department of Primary Industries	Snowy water licence for Snowy Hyrdo Co	✓	✓		✓		✓	0.57
DTIRIS	Department of Primary Industries	Special Purpose Permit (Forestry)	✓	✓	✓	✓	✓	✓	0.53
DTIRIS	Department of Primary Industries	Surface water licence	✓			✓	✓	✓	0.48
DTIRIS	Department of Primary Industries	Surface water permit	✓	✓	✓	✓		✓	0.55
DTIRIS	Department of Primary Industries	Timber Licence	✓	✓	✓	✓	✓	✓	0.61

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	Department of Primary Industries	Transported Stock Statement			✓	✓			0.30
DTIRIS	Department of Primary Industries	Vulnerable Persons Food Business Licence		✓			✓		0.32
DTIRIS	Department of Primary Industries	Water Access Licence: Driller's Licence	✓	✓	✓	✓			0.49
DTIRIS	Department of Primary Industries	Water Access Licences	✓		✓		✓		0.31
DTIRIS	Department of Primary Industries	Water Management Approvals (Combined Water Supply Works & Use Approval)		✓			✓	✓	0.32
DTIRIS	Department of Primary Industries	Water Use Approvals		✓	✓	✓	✓	✓	0.40
DTIRIS	Division of Resources and Energy	Accreditation to provide contestable services		✓			✓		0.28
DTIRIS	Division of Resources and Energy	Certificates of Competence	✓			✓	✓		0.27
DTIRIS	Division of Resources and Energy	Coal Exploration Licence				✓	✓	✓	0.43
DTIRIS	Division of Resources and Energy	Coal Seam Gas Exploration Licences		✓		✓	✓	✓	0.51
DTIRIS	Division of Resources and Energy	Exploration licence				✓		✓	0.44

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	Division of Resources and Energy	Exploration Licences (minerals other than coal)				✓	✓	✓	0.34
DTIRIS	Division of Resources and Energy	Exploration permits and renewal		✓		✓		✓	0.54
DTIRIS	Division of Resources and Energy	Mineral Claim				✓	✓	✓	0.34
DTIRIS	Division of Resources and Energy	Mining licence		✓		✓		✓	0.67
DTIRIS	Division of Resources and Energy	Onshore Petroleum Exploration Licence		✓		✓	✓		0.51
DTIRIS	Division of Resources and Energy	Petroleum Special Prospecting Authorities		✓		✓	✓	✓	0.48
DTIRIS	Division of Resources and Energy	Pipeline licence		✓		✓		✓	0.67
DTIRIS	Division of Resources and Energy	Pipeline licences (Pipelines Act)	✓		✓		✓	✓	0.40
DTIRIS	Division of Resources and Energy	Production licence		✓		✓		✓	0.67
DTIRIS	Division of Resources and Energy	Registration of Item of Plant licence	✓	✓		✓	✓	✓	0.52

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	Division of Resources and Energy	Retention licence				✓		✓	0.42
DTIRIS	Division of Resources and Energy	Works licence				✓		✓	0.42
DTIRIS	Independent Liquor and Gaming Authority	Casino Licence		✓	✓	✓	✓		0.73
DTIRIS	Independent Liquor and Gaming Authority	Special Employee's Licence	✓		✓	✓	✓	✓	0.51
DTIRIS	NSW Office of Liquor, Gaming and Racing	Approval of Gaming Equipment	✓		✓	✓	✓		0.35
DTIRIS	NSW Office of Liquor, Gaming and Racing	Authority to Keep, Use and Operate Gaming Machines (Hotels and Clubs)	✓	✓		✓		✓	0.56
DTIRIS	NSW Office of Liquor, Gaming and Racing	Club Licence (Liquor)	✓	✓	✓	✓			0.49
DTIRIS	NSW Office of Liquor, Gaming and Racing	Hotel Licence (Liquor) - Full hotel	✓	✓	✓	✓			0.49
DTIRIS	NSW Office of Liquor, Gaming and Racing	Licence to Conduct Public Lotteries		✓	✓		✓	✓	0.49
DTIRIS	NSW Office of Liquor, Gaming and Racing	Limited licence - single function	✓		✓	✓			0.32

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
DTIRIS	NSW Office of Liquor, Gaming and Racing	On-Premises Licence	✓	✓	✓	✓			0.49
DTIRIS	NSW Office of Liquor, Gaming and Racing	Packaged Liquor Licence	✓	✓	✓	✓			0.49
DTIRIS	NSW Office of Liquor, Gaming and Racing	Permit to Conduct a Lottery-Trade Promotion - multiple promotion	✓		✓	✓			0.33
DTIRIS	NSW Office of Liquor, Gaming and Racing	Permit to Conduct a Lottery-Trade Promotion - single promotion	✓		✓	✓	✓		0.46
DTIRIS	NSW Office of Liquor, Gaming and Racing	Producer/Wholesale Liquor Licence	✓	✓	✓	✓			0.49
DTIRIS	NSW Office of Liquor, Gaming and Racing	RSA/RCG Competency Card			✓	✓	✓		0.23
DTIRIS	NSW Office of Liquor, Gaming and Racing	RSA/RCG Course	✓		✓	✓		✓	0.44
DTIRIS	NSW Office of Liquor, Gaming and Racing	Transfer liquor licence (T)	✓		✓	✓	✓	✓	0.56
Education and Communities	Board of Studies NSW	Accreditation of non-government schools for the Record of School Achievement and Higher School Certificate	✓		✓		✓		0.35
Education and Communities	Board of Studies NSW	Registration for home schooling	✓	✓	✓				0.35

M All 'significant' licences grouped according to NSW Government department – policy score breakdown



Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
Education and Communities	Board of Studies NSW	Registration of non-government schools	✓		✓		✓		0.39
Education and Communities	Department level licence	Joint Use Licence Agreements		✓	✓		✓	✓	0.55
Education and Communities	Department level licence	Leases		✓	✓		✓	✓	0.55
Education and Communities	NSW Institute of Teachers	Accreditation as a New Scheme Teacher	✓			✓	✓		0.28
Education and Communities	Office of Education	Approval for an education and childcare service - centre based care		✓	✓		✓		0.37
Education and Communities	Office of Education	Approval for an education and childcare service - family day care		✓	✓		✓		0.33
Education and Communities	Office of Education	Children's Service Licence - Centre based <sup>c</sup>			✓		✓		0.28
Education and Communities	Office of Education	Children's Service Licenced <sup>d</sup>		✓	✓		✓		0.41
Education and Communities	Office of Education	Provider Approval		✓	✓		✓		0.42
Education and Communities	Office of Education	Supervisor certificate		✓	✓		✓		0.33
Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	Accreditation as a Designated Agency - Out-of-Home Care					✓		0.25
Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	Accreditation of Adoption Service Providers	✓				✓		0.29
Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	Child Employment - Employers Authority		✓	✓	✓			0.51

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	Child-related employment certificate		✓		✓	✓	✓	0.37
Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	Voluntary Out of Home Care - agency registration	✓	✓			✓		0.48
Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	Voluntary Out of Home Care - placement notification	✓		✓		✓		0.44
Education and Communities <sup>e</sup>	Office of Communities <sup>e</sup>	Working with Children Check	✓	✓		✓	✓	✓	0.51
NSW Department of Family and Community Services	Ageing, Disability and Home Care	Licence to operate a residential centre for handicapped persons <sup>f</sup>		✓	✓		✓		0.61
NSW Department of Family and Community Services	Housing NSW	Registration of Community Housing Providers		✓			✓		0.38
NSW Department of Family and Community Services	NSW Aboriginal Housing Office	Registration of an Aboriginal Housing Organisation		✓			✓	✓	0.35
NSW Ministry of Health	Department level licence	Approval of participate in needle exchange program		✓	✓		✓	✓	0.64
NSW Ministry of Health	Department level licence	Mental Health Facility Licence					✓	✓	0.43
NSW Ministry of Health	Department level licence	Notification by person engaging in tobacco retailing	✓					✓	0.32

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
NSW Ministry of Health	Health Education Training Institute NSW	Accreditation of training facilities	✓	✓				✓	0.35
NSW Ministry of Health	Health Professional Councils Authority	Pharmacy Registration and Renewal	✓	✓	✓	✓	✓	✓	0.68
NSW Ministry of Health	Pharmaceutical Services Branch	Authority to obtain and use schedule 7 poisons			✓				0.25
NSW Ministry of Health	Pharmaceutical Services Branch	Authority to Prescribe a Drug of Addiction				✓	✓	✓	0.32
NSW Ministry of Health	Pharmaceutical Services Branch	Authority to prescribe drug of addiction Clause 84(2)					✓	✓	0.26
NSW Ministry of Health	Pharmaceutical Services Branch	Authority to supply therapeutic substances for veterinary use	✓	✓	✓			✓	0.55
NSW Ministry of Health	Pharmaceutical Services Branch	Licence to Manufacture or Supply Drugs of Addiction (Supply from private hospitals see Private Health submission)	✓		✓	✓		✓	0.38
NSW Ministry of Health	Pharmaceutical Services Branch	Licence to Supply by Wholesale Poisons, Restricted Substances or Drugs for Therapeutic Use			✓	✓		✓	0.33
NSW Ministry of Health	Pharmaceutical Services Branch	Licence to supply drug of addiction - OTP clinic			✓	✓		✓	0.36
NSW Ministry of Health	Pharmaceutical Services Branch	Licence to supply drugs of addiction by wholesale			✓	✓		✓	0.36
NSW Ministry of Health	Private Health Care Branch	Assisted Reproductive Technology Provider Registration		✓				✓	0.35

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
NSW Ministry of Health	Private Health Care Branch	Licence to conduct anatomical examinations	✓			✓	✓	✓	0.47
NSW Ministry of Health	Private Health Care Branch	Private Health Facilities Licence					✓	✓	0.29
NSW Ministry of Health	Private Health Care Branch	Schedule 2 Retail licence		✓		✓	✓	✓	0.42
NSW Ministry of Health	Private Health Care Branch	Schedule 8 supply licence		✓		✓	✓	✓	0.45
NSW Treasury	NSW Industrial Relations	Entertainment Industry Representative's Licence <sup>9</sup>		✓	✓	✓		✓	0.53
NSW Treasury	NSW Industrial Relations	Exemptions from closed trading days			✓	✓			0.34
Other	Cobar Water Board	Minor Water Supply Consumer Agreement	✓		✓	✓		✓	0.53
Other	Hunter Water Corporation	Access Licence	✓			✓	✓		0.44
Other	Hunter Water Corporation	Development Assessment applications & related report and design review services		✓					0.28
Other	Hunter Water Corporation	Planning Approval - capital works program & operations					✓	✓	0.33
Other	Hunter Water Corporation	Planning Approval - external developer projects				✓	✓	✓	0.32
Other	Hunter Water Corporation	Standpipes - licence to extract water from hydrants	✓		✓		✓	✓	0.44
Other	Hunter Water Corporation	Water and Sewer Designer Accreditation	✓	✓	✓		✓		0.68

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
Other	Rice Marketing Board for the State of New South Wales	Authorised Buyers Licences		✓	✓		✓	✓	0.45
Other	Rice Marketing Board for the State of New South Wales	Sole and Exclusive Export Licence	✓		✓		✓	✓	0.41
Other	Sydney Water Corporation	Trade waste commercial permits		✓			✓		0.36
Other	Sydney Water Corporation	Trade waste industrial consents					✓		0.20
Other	Veterinary Practitioners Board of New South Wales	Registration as a Veterinary Practitioner	✓		✓	✓	✓	✓	0.39
Transport for NSW	Department level licence	Air Transport Licence			✓	✓		✓	0.38
Transport for NSW	Department level licence	Roads Occupancy Licence - Development Activities, Non Development Activities and Special Events	✓		✓		✓		0.41
Transport for NSW	Independent Transport Safety Regulator	Accreditation as a Railway Operator		✓					0.34
Transport for NSW	Port Kembla Port Corporation	Marine Pilot Licence		✓				✓	0.67
Transport for NSW	Rail Corporation NSW (RailCorp)	Authorisation to Practice - Signals Authorised Person		✓	✓	✓		✓	0.58
Transport for NSW	Rail Corporation NSW (RailCorp)	Authorised Health Professional			✓			✓	0.29

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
Transport for NSW	Rail Corporation NSW (RailCorp)	Licence to Practice - Signal Ancillary		✓	✓	✓		✓	0.58
Transport for NSW	Rail Corporation NSW (RailCorp)	Licence to Practice - Signal Electrician		✓	✓	✓		✓	0.58
Transport for NSW	Rail Corporation NSW (RailCorp)	Licence to Practice - Signal Engineer (Field)		✓	✓	✓		✓	0.58
Transport for NSW	Rail Corporation NSW (RailCorp)	Licence to Practice - Signal Mechanical		✓	✓	✓		✓	0.58
Transport for NSW	Roads and Maritime Services	Approval as an Examiner to Conduct Vehicle Inspections	✓		✓		✓	✓	0.31
Transport for NSW	Roads and Maritime Services	Aquatic Event Licence		✓		✓			0.36
Transport for NSW	Roads and Maritime Services	Boat driving licence							0.12
Transport for NSW	Roads and Maritime Services	Certificate of Maritime Competency					✓	✓	0.22
Transport for NSW	Roads and Maritime Services	Club or Commercial Mooring Licence		✓		✓	✓		0.35
Transport for NSW	Roads and Maritime Services	Conditional Registration	✓	✓			✓		0.44
Transport for NSW	Roads and Maritime Services	Driver Authority - Bus	✓	✓	✓	✓	✓		0.56
Transport for NSW	Roads and Maritime Services	Driver Authority - Taxi	✓	✓	✓	✓	✓		0.63
Transport for NSW	Roads and Maritime Services	Drivers Licence - Car	✓	✓	✓		✓	✓	0.52
Transport for NSW	Roads and Maritime Services	Drivers Licence - Heavy Combination	✓		✓		✓		0.33
Transport for NSW	Roads and Maritime Services	Drivers Licence - Heavy Rigid	✓	✓	✓		✓		0.50

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
Transport for NSW	Roads and Maritime Services	Drivers Licence - Light Rigid	✓		✓		✓		0.33
Transport for NSW	Roads and Maritime Services	Drivers Licence - Medium Rigid	✓		✓		✓		0.33
Transport for NSW	Roads and Maritime Services	Drivers Licence - Multi-combination	✓		✓		✓		0.33
Transport for NSW	Roads and Maritime Services	Drivers Licence - Rider	✓	✓	✓		✓	✓	0.52
Transport for NSW	Roads and Maritime Services	Driving Instructors Licence	✓		✓	✓	✓	✓	0.42
Transport for NSW	Roads and Maritime Services	Heavy Vehicle Permit	✓	✓				✓	0.43
Transport for NSW	Roads and Maritime Services	Hire and Drive Licence		✓		✓	✓		0.39
Transport for NSW	Roads and Maritime Services	Learners permit	✓		✓		✓	✓	0.36
Transport for NSW	Roads and Maritime Services	Mobility Parking Scheme Permit - Individual	✓	✓	✓			✓	0.42
Transport for NSW	Roads and Maritime Services	Mobility Parking Scheme Permit - Organisation	✓	✓	✓			✓	0.42
Transport for NSW	Roads and Maritime Services	Mobility Parking Scheme Permit - Temporary	✓		✓			✓	0.33
Transport for NSW	Roads and Maritime Services	Network Authorisation - Taxi				✓	✓		0.40
Transport for NSW	Roads and Maritime Services	NSW Photo Card	✓	✓				✓	0.51
Transport for NSW	Roads and Maritime Services	Operator Accreditation - Bus	✓	✓		✓	✓		0.45
Transport for NSW	Roads and Maritime Services	Operator Accreditation - Taxi	✓	✓	✓	✓	✓		0.67

M All 'significant' licences grouped according to NSW Government department – policy score breakdown

Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
Transport for NSW	Roads and Maritime Services	P1 provisional drivers licence	✓		✓		✓	✓	0.36
Transport for NSW	Roads and Maritime Services	P2 provisional drivers licence	✓		✓		✓	✓	0.36
Transport for NSW	Roads and Maritime Services	Private mooring licence	✓			✓	✓		0.28
Transport for NSW	Roads and Maritime Services	Registration of a Commercial or Recreational Vessel	✓	✓		✓			0.47
Transport for NSW	Roads and Maritime Services	Registration of a Heavy Vehicle	✓	✓			✓		0.43
Transport for NSW	Roads and Maritime Services	Registration of a Light Vehicle	✓	✓	✓		✓		0.46
Transport for NSW	Roads and Maritime Services	Survey of a Commercial Vessel		✓			✓		0.32
Transport for NSW	Roads and Maritime Services	Tow Truck Drivers Certificate		✓		✓	✓		0.31
Transport for NSW	Roads and Maritime Services	Tow Truck Operator's Licence		✓		✓	✓		0.32
Transport for NSW	Roads and Maritime Services	Towing authorisation					✓	✓	0.24
Transport for NSW	Roads and Maritime Services	Unregistered Vehicle Permit				✓	✓		0.31
Transport for NSW	Roads and Maritime Services	Vehicle Licence - Private Hire Vehicle (hire car)	✓		✓	✓	✓		0.42
Transport for NSW	Roads and Maritime Services	Vehicle Licence - Taxi	✓		✓		✓		0.32
Transport for NSW	Sydney Ports Corporation	Certificate of Local Knowledge	✓		✓			✓	0.39

M All 'significant' licences grouped according to NSW Government department – policy score breakdown



Department	Agency	Licence type	Review	Duration	Conditions	Fee setting	Compliance	Administration	Overall policy score
Transport for NSW	Sydney Ports Corporation	Marine Pilot Licence	✓		✓		✓	✓	0.44
Transport for NSW	Sydney Ports Corporation	Marine Pilotage Exemption Certificate	✓	✓	✓		✓	✓	0.53
Transport for NSW	Sydney Ports Corporation	Property Licences - Glebe Island / White Bay	✓		✓		✓	✓	0.40

**a** Since 1 July 2013, responsibility for this licence has been transferred to the Federal regulator – the Australian Energy Regulator.

**b** The number of Bore Water Licences has declined significantly (to approximately 1,750 licences) since our licence survey was conducted, following reforms to modernise the legislative framework for how water licences are managed in NSW.

**c** This licence no longer exists – it was replaced by the 'Approval for an education and childcare service – centre based care', concurrent with the implementation of the National Quality Framework in January 2012.

**d** This licence no longer exists – it was part of the regulatory framework that existed in NSW before the introduction of the National Quality Framework in January 2012.

**e** This licence is administered by the Office of the Children's Guardian which now is a division of the NSW Department of Family and Community Services.

**e** This licence's name has been changed as a result of legislation changes in 2013 to 'Authorisation to operate an assisted boarding house' under the *Boarding Houses Act 2012* (NSW).

**f** This licence no longer exists – the commencement of the *Entertainment Industry Act 2013* (NSW) (on 2 March 2014) has abolished the 'Entertainment Industry Representative's Licence'.

**Notes:**

1. A tick '✓' indicates that the licence type scored equal to or above the median score for the relevant category, which may be an indication that this area could potentially be improved or reformed, and should be used as a guide for regulators in reviewing their licences.

2. The following abbreviations have been used in this table: Department of Attorney General and Justice (AGD), Department of Premier and Cabinet (DPC), Department of Finance and Services (DFS), Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) and Department of Education and Communities (Education and Communities).

**Source:** IPART analysis based on responses to NSW Government department/agency licence survey (2011/12).

## N Analysis of *Have your say* survey of licence holders data

### Summary

- ▼ The survey had 272 responses, with a good response received in 'Occupational' and 'Residential/commercial works' licence categories.
- ▼ The sample covered 57 licence types across 16 broad licensing areas, and allowed us to draw statistically significant, but potentially biased, implication in at least 3 licence categories:
  - 'Firearms/weapons'
  - 'Occupational'
  - 'Residential/commercial works'.
- ▼ The survey achieved reasonable coverage of small business (63 responses or 23% of total sample, across 10 licence areas).
- ▼ However, the survey provided limited data on administrative time and compliance costs associated with licences.

### Key results

#### Licence objective

- ▼ Only 8.1% of the respondents could not state the objective of their licence. The most quoted licence objectives were:
  - to protect the community or particular segments of the community (eg, public safety) (35.7%)
  - to protect consumers or third parties (25%).

### Licence rationale and functions

Based on full sample analysis, most respondents:

- ▼ recognised the clear need for their licence (72.4%)
- ▼ did not agree that the conditions of their licence match the objectives<sup>437</sup> (62.5%).

### Licence design

- ▼ Only competency requirements were perceived as being not too demanding by the majority of respondents (73.2%).<sup>438</sup>
- ▼ Licence features perceived as the *most burdensome* were:<sup>439</sup>
  - licence fees (76.9%)
  - conduct requirements (60.3%)
  - reporting requirements (57.7%)
  - qualification requirements (57.3%)
  - exemptions (55.9%)
  - duration (54.4%).

### Licence administration

The highest complaints categories were:

- ▼ consistency of regulators in making decisions (57%)
- ▼ delays (56.6%)
- ▼ enforcement (53.3%).

### Administrative costs

- ▼ Mean total administrative time spent on administrative tasks was 234 hours per year (314 hours per year for the respondents reporting a non-zero amount of time spent).
- ▼ Mean administrative costs borne by licensees were estimated at \$10,987 per year (\$14,740 per year for respondents with non-zero administrative costs).<sup>440</sup>

<sup>437</sup> The number corresponds to the sum of two categories: Disagree (43%) and Neither agree nor disagree (19.5%).

<sup>438</sup> Calculated as sum of 2 categories: Agree 48.2% and Neither agree nor disagree 25%.

<sup>439</sup> Calculated as a sum of 2 response categories: Disagree and Neither agree nor disagree. Apply to all percentages in this list.

<sup>440</sup> Calculated at \$47 per hour economy-wide rate for NSW based on Better Regulation Office (2008), *Measuring the Costs of Regulation*, June 2008, URL [http://www.dpc.nsw.gov.au/\\_data/assets/pdf\\_file/0003/23979/02\\_Measuring\\_the\\_Costs\\_of\\_Regulation.pdf](http://www.dpc.nsw.gov.au/_data/assets/pdf_file/0003/23979/02_Measuring_the_Costs_of_Regulation.pdf), accessed 21 March 2014.

- ▼ The most burdensome administrative tasks were:
  - filling in licence application/renewal forms (mean share of 35% in total administrative burden)
  - maintaining a data registry or records for compliance (25% mean share).
- ▼ 'Occupational' licences had higher burden associated with filling in forms for licence application and renewal (44% compared to 35% full sample mean share).
- ▼ 'Residential/commercial works' licences had relatively higher burden associated with maintaining data registries and compliance records (32% vs. 27% mean share).
- ▼ Highest total administrative costs licences were:
  - 'Liquor, gaming or racing' (\$113,556 per year)
  - 'Dangerous goods' (\$51,191 per year)
  - 'Environment, plants or animals' (\$9,565).

### Compliance and other costs

- ▼ The mean reported compliance cost was \$9,421 per year (\$14,105 per year for the respondents reporting non-zero compliance expenditure).
- ▼ The most burdensome categories, measured by the highest mean reported share, were:
  - purchase and maintenance of equipment (37% mean share)
  - licence fees (30%)
  - professional membership fees (21%).
- ▼ 'Firearms/weapons' licences had the highest burden related to 'Purchase and maintenance of equipment' (58% mean share vs. 37% full sample mean share).
- ▼ 'Occupational' licences have an above average burden through:
  - licence fees (35% vs. 30% full sample share)
  - professional membership fees (24% vs. 21%)
  - purchase and maintenance of equipment' is relatively unimportant (7% vs. 37% mean share).
- ▼ 'Residential/commercial works' licences experience high delay costs (25% mean share vs. 6% full sample mean share).
- ▼ Highest compliance costs licences were:
  - 'Liquor, gaming or racing' (\$92,473 per year)
  - 'Dangerous goods' (\$46,608 per year)
  - 'Ageing, disability and children' (\$45,725).

### Total burden of licensing

Based on a full sample analysis:

- ▼ The mean total burden of licensing was \$20,408 per year (\$25,486 for the respondents reporting non-zero administrative or compliance costs).
- ▼ The highest total burden of licensing was associated with the following licence categories:
  - 'Liquor, gaming or racing' (\$206,029 per year, 41% from administrative time costs).
  - 'Dangerous goods' category (\$97,799 per year, 63% administrative), and 'Ageing, disability and children' (\$54,021, 22% administrative).

### Reform priority options

- ▼ Based on the full sample analysis, the leading priority reform options as perceived by respondents<sup>441</sup> were:
  - reduce licence fees (77.9%)
  - increase provision of online services (71.0%)
  - increase licence duration (68.4%)
  - recognise licences from other States (65.1%)
  - reduce reporting requirements (59.9%)
  - create a one-stop-shop for all licence applications (57%).

### Impact on Small business:

- ▼ The estimated mean total burden associated with licences, and the share of administrative costs in total burden, was, by respondent type:
  - individuals (\$5,787 per year total burden, 47% administrative share)
  - small business (\$19,637 per year, 44% administrative)
  - not-for-profit (\$32,402 per year, 66% administrative)
  - businesses (\$108,776 per year, 42% administrative).

### Have your say survey of licence holders - background

The survey of licence holders at the NSW Government's public consultation portal *Have your say* was to complement the 2 surveys of regulators (local councils and NSW Government departments/agencies) and to provide licence-holders' perspective on their licences. The survey launched on 24 October 2012 and closed on 19 December 2012.

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<sup>441</sup> Calculated as sum of two categories "High" and "Medium".

Notification e-mails were sent to a wide range of stakeholders, including businesses, representatives/advocates of businesses (eg, the Small Business Commissioner and the NSW Chamber of Commerce), and industry associations.

There were 4,333 visits to the “Red Tape Licensing Review” page at the Have your say<sup>442</sup> webpage hosting the survey, by 2,145 visitors. There were 1,191 total downloads of the key Review documents from this page, including the Issues Paper and PwC’s Draft Licensing Framework and Licensing Guide. In addition, there were 52 referrals from Have your say to the IPART Licensing Review page.

In total, 279 visitors (or 13% of those who visited the survey page) responded to the online survey. The final survey database contained 279 records. After deleting 9 records representing testing attempts and adding 2 records submitted manually in pilot survey stage, the final dataset comprised of 272 observations.

## **Have your say survey of licence holders - data analysis**

### **Composition of the sample**

Firearms licence responses represented the largest proportion of total responses (127 responses, or 46.7% of total response). The next most frequent categories were occupational licences (63, or 23.2%) and construction/ residential or commercial works licences (18, or 6.6%), with other licences commented on by 5% or less of respondents (‘Private transport’, ‘Liquor, gaming or racing’, ‘Dangerous goods’, etc).

In designing the *Have your say* (HYS) survey of licence holders, we did not attempt to create a representative sample, given the project time and resource constraints. Notwithstanding over-representation of the firearm licence holders:

- ▼ The sample covered 57 licence types across 16 broad licensing areas.
- ▼ It allowed us to draw statistically significant implications in at least 3 licence categories:
  - ‘Firearms/weapons’
  - ‘Occupational’
  - ‘Residential/commercial works’,

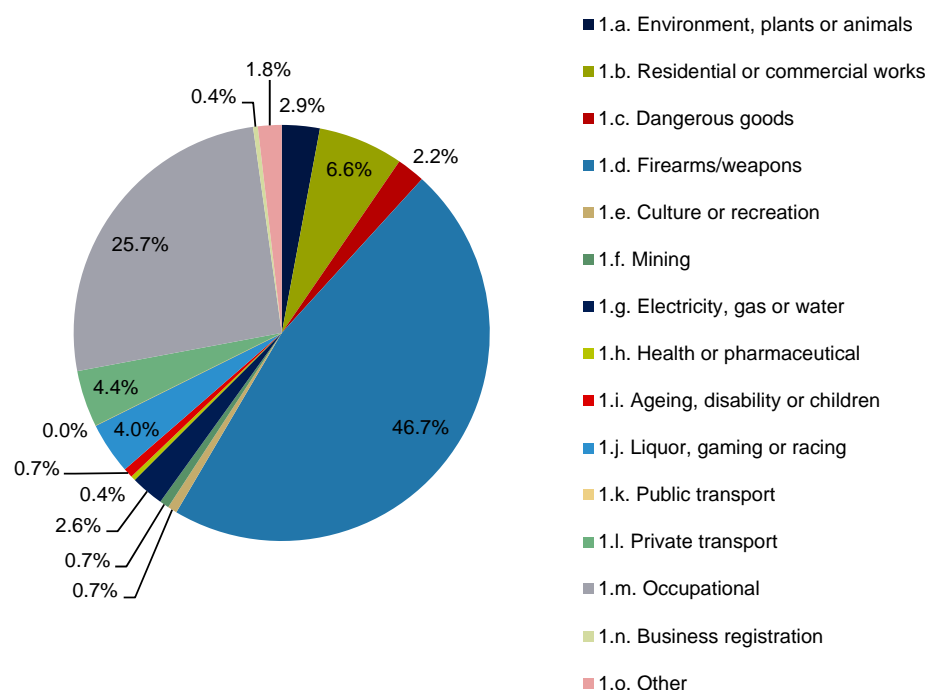
and provided information and evidence for most of the remaining licence categories.

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<sup>442</sup> NSW Government, Have your say (undated), IPART Red Tape Review, <http://haveyoursay.nsw.gov.au/redtape-licence-review>, accessed 21 March 2014.

Comparing the *Have your say* sample with that of the NSW Government Departments we note that the 'Occupational' and 'Residential/commercial works' category were relatively over-represented in the HYS survey response (Figure N.2).<sup>443</sup>

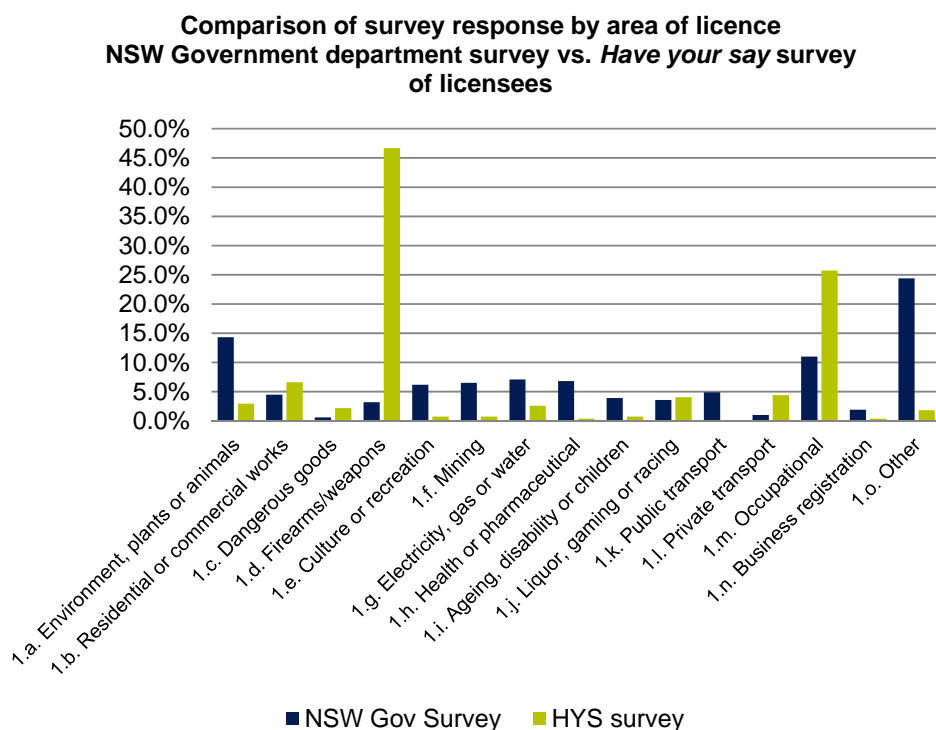
**Figure N.1 Sample composition, *Have your say* survey of licence holders**



**Source:** IPART analysis using *Have you say* survey data.

<sup>443</sup> Note that 'Other' category in NSW Government Department survey includes NSW Food Authority licences (with area specified as safety and prevention of unfair competition). For this reason, the food related licences in *Have your say* survey were matched to the 'Other' category in Figure N.2.

**Figure N.2 Comparison of response samples between NSW Government Department licence survey and *Have your say* survey of licence holders**



**Source:** IPART analysis using *Have you say* survey data.

### Composition of 'Occupational' licences category

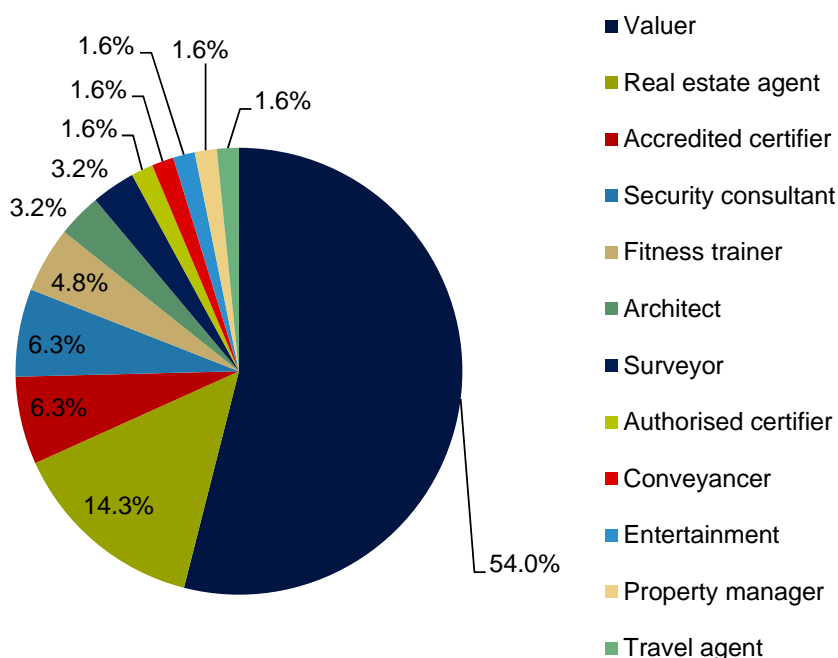
Within 12 types of licences comprising the 'Occupational' category, most respondents (34, or 54% within 'Occupational') were valuers. Other professionals holding 'Occupational' type licences were: real estate agents, surveyors, architects, security consultants, etc (see Figure N.3).

Three fitness instructors were also classified in the 'Occupational' category. The *Have your say* survey attracted 10 responses from fitness instructors, some of them commenting on other areas of licenced activity, in particular, on the use of council land for outdoor training. Depending on the area of concern, they were classified in the most relevant licence area.

All building and construction related licences were classified in a separate 'Residential or commercial works' licence category.



**Figure N.3 Composition of 'Occupational' licensing category, *Have your say* survey of licence holders**



Source: IPART analysis using *Have you say* survey data.

### Licence objectives

The *Have your say* survey of licence holders offered the following choice of licence objectives:

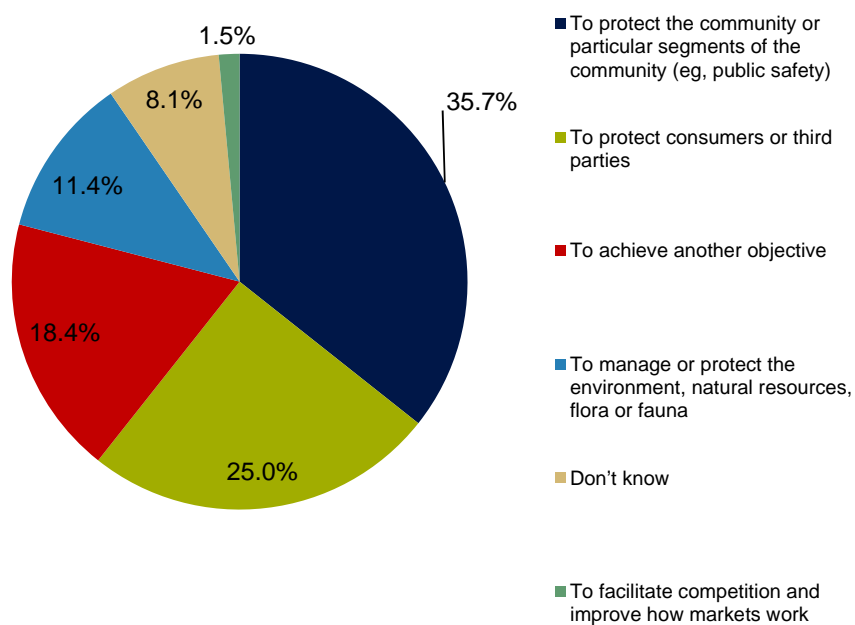
- ▼ to manage or protect the environment, natural resources, flora or fauna
- ▼ to protect consumers or third parties
- ▼ to protect the community or particular segments of the community (eg, public safety)
- ▼ to facilitate competition and improve how markets work
- ▼ don't know
- ▼ to achieve another objective.

Only 8.1% of the respondents could not state the objective of their licence.

Leading licence objectives are:

- ▼ to protect the community or particular segments of the community (eg, public safety) (35.7%)
- ▼ to protect consumers or third parties (25%) (see Figure N.4).

**Figure N.4** Reported licence objective, *Have your say* survey of licence holders



**Source:** IPART analysis using *Have your say* survey data.

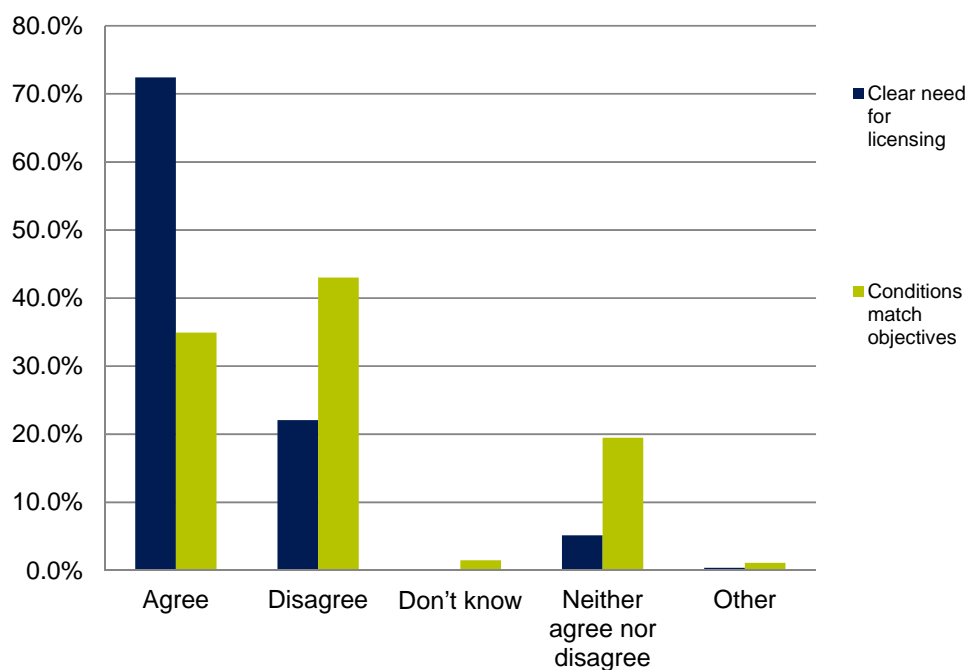
## Licence rationale and functions

The survey tested respondents' understanding of the underlying rationale for their licence, the perceived need for the licence and the degree of match between licence objectives and conditions.

Based on full sample analysis, most respondents:

- ▼ recognised the clear need for their licence (72.4%), but
- ▼ did not agree that the conditions of their licence match the objectives<sup>444</sup> (62.5%) (see Figure N.5).

**Figure N.5** Reported need for the licence, and perceived match between licence conditions and objectives, *Have your say* survey of licence holders



**Source:** IPART analysis using *Have your say* survey data.

<sup>444</sup> The number corresponds to the sum of two categories: Disagree (43%) and Neither agree nor disagree (19.5%).

## Licence design

The *Have your say* survey of licence holders asked the respondents to provide their opinion of particular features of their licences, including:

- ▼ licence duration
- ▼ reporting obligations
- ▼ licence qualification requirements
- ▼ licence competency requirements
- ▼ licence conduct requirements
- ▼ thresholds
- ▼ exemptions
- ▼ licence fees.

In terms of licence design and requirements, the findings were:

- ▼ Only competency requirements were perceived as being *not too demanding* by the majority of respondents (73.2%).<sup>445</sup>
- ▼ Licence features perceived as the most burdensome were:<sup>446</sup>
  - licence fees (76.9%)
  - conduct requirements (60.3%)
  - reporting requirements (57.7%)
  - qualification requirements (57.3%)
  - exemptions (55.9%)
  - duration (54.4%).

## Licence administration

The *Have your say* survey of licence holders considered the following elements of the licence administration system:

- ▼ licence application/ renewal process
- ▼ accessibility of information on the licensing system
- ▼ effectiveness of communication with the government agency administering the licence
- ▼ accessibility of information on compliance with the licence conditions
- ▼ enforcement

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<sup>445</sup> Calculated as sum of 2 categories: Agree 48.2% and Neither agree nor disagree 25%.

<sup>446</sup> Calculated as a sum of 2 response categories: Disagree and Neither agree nor disagree. Apply to all percentages in this sentence.

- ▼ transparency and consistency in the decision-making by licence administrator
- ▼ unnecessary delays in licence processing
- ▼ the agency's complaints and dispute resolution system.

In relation to licence administration, the highest complaints categories ("Disagree" response) were:

- ▼ consistency of regulators in making decisions (57%)
- ▼ delays (56.6%)
- ▼ enforcement (53.3%).

### Administrative costs

An important contribution of the *Have your say* survey of licence holders was in collecting data on time costs associated with the licence administration tasks, and compliance costs of the licence.

The administrative time burden question asked the respondents to provide their estimate of time (in hours per year) spent on the following activities:

- ▼ filling in forms for licence application/renewal/changes
- ▼ reporting information to the agency
- ▼ maintaining a data registry or records for compliance
- ▼ speaking on the phone/visiting the agency in person
- ▼ other information requirements.

Total administrative time was the sum of the above components.

Based on a full sample analysis:<sup>447</sup>

- ▼ Mean total administrative time spent on administrative tasks was:
  - 234 hours per year (314 hours per year for the respondents reporting a non-zero amount of time spent).

<sup>447</sup> An outlier (HYS ID 247) was identified during the data examination process. The respondent with HYS ID 247 is a Fitness instructor reporting 6,140 hours spent per year on *Speaking on the phone/ visiting the agency in person*. This observation was excluded from the analysis of administrative and compliance costs. The full sample analysis in this section refers to 271 observations.

Applying the NSW economy-wide default hourly wage rate:<sup>448</sup>

- ▼ Mean administrative costs borne by licensees were estimated at \$10,987 per year (\$14,740 per year for respondents with non-zero administrative costs).

Full sample analysis of contribution to the total administrative burden by specific administrative task suggests that the most burdensome administrative tasks were:

- ▼ filling in licence application/renewal forms (mean share of 35% in total administrative burden).
- ▼ maintaining a data registry or records for compliance (25% mean share).

Detailed analysis of administrative time costs by specific licence area and time cost component was limited by a small number of responses. However, 3 licence categories (Firearms/weapons, Occupational and Residential/commercial works) had sufficient number of observations to draw statistically significant implications. The estimates are biased due to self-selection.

Comparison of the administrative burden of licensing across licence areas highlights that the share of specific administrative tasks in total burden differs across licence areas:

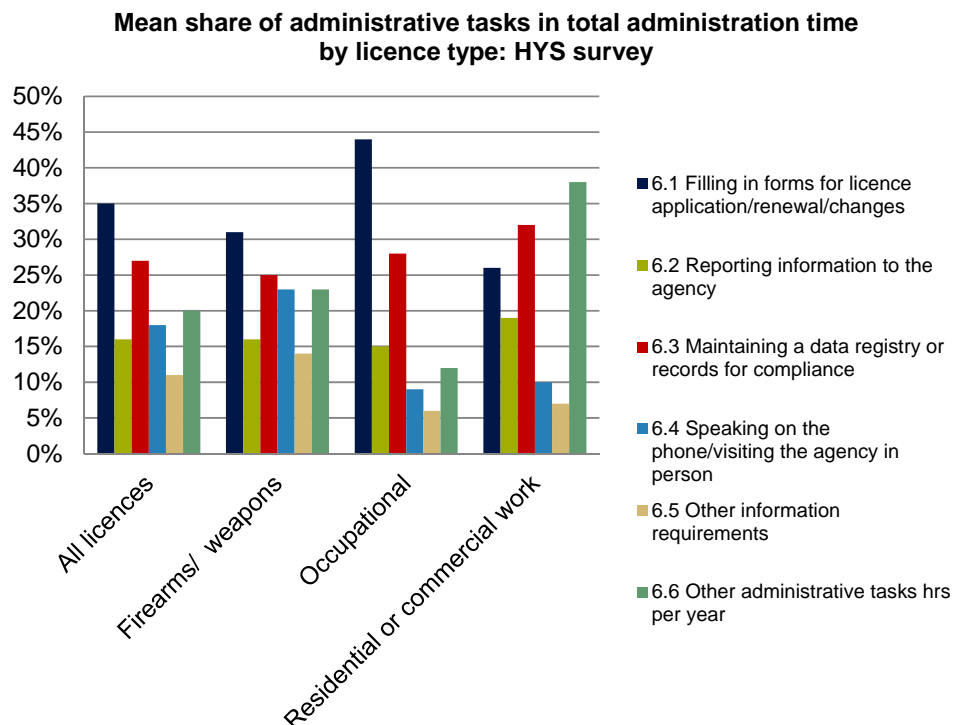
- ▼ 'Occupational' licences had higher burden associated with filling in forms for licence application and renewal (44% compared to 35% full sample mean share).
- ▼ 'Residential/commercial works' licences had relatively higher burden of maintaining the data registry and compliance records (32% vs. 27% mean share) (see Figure N.6).<sup>449</sup>

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<sup>448</sup> Calculated as \$47 including on-costs, based on DPC Better Regulation Office (2008), *Measuring the Costs of Regulation*, June 2008, URL [http://www.dpc.nsw.gov.au/\\_\\_data/assets/pdf\\_file/0003/23979/02\\_Measuring\\_the\\_Costs\\_of\\_Regulation.pdf](http://www.dpc.nsw.gov.au/__data/assets/pdf_file/0003/23979/02_Measuring_the_Costs_of_Regulation.pdf), accessed 21 March 2014.

<sup>449</sup> Note that the mean shares do not sum up to 100%.

**Figure N.6 Composition of administrative burden of licensing for significant reported licences, *Have your say* survey of licence holders**



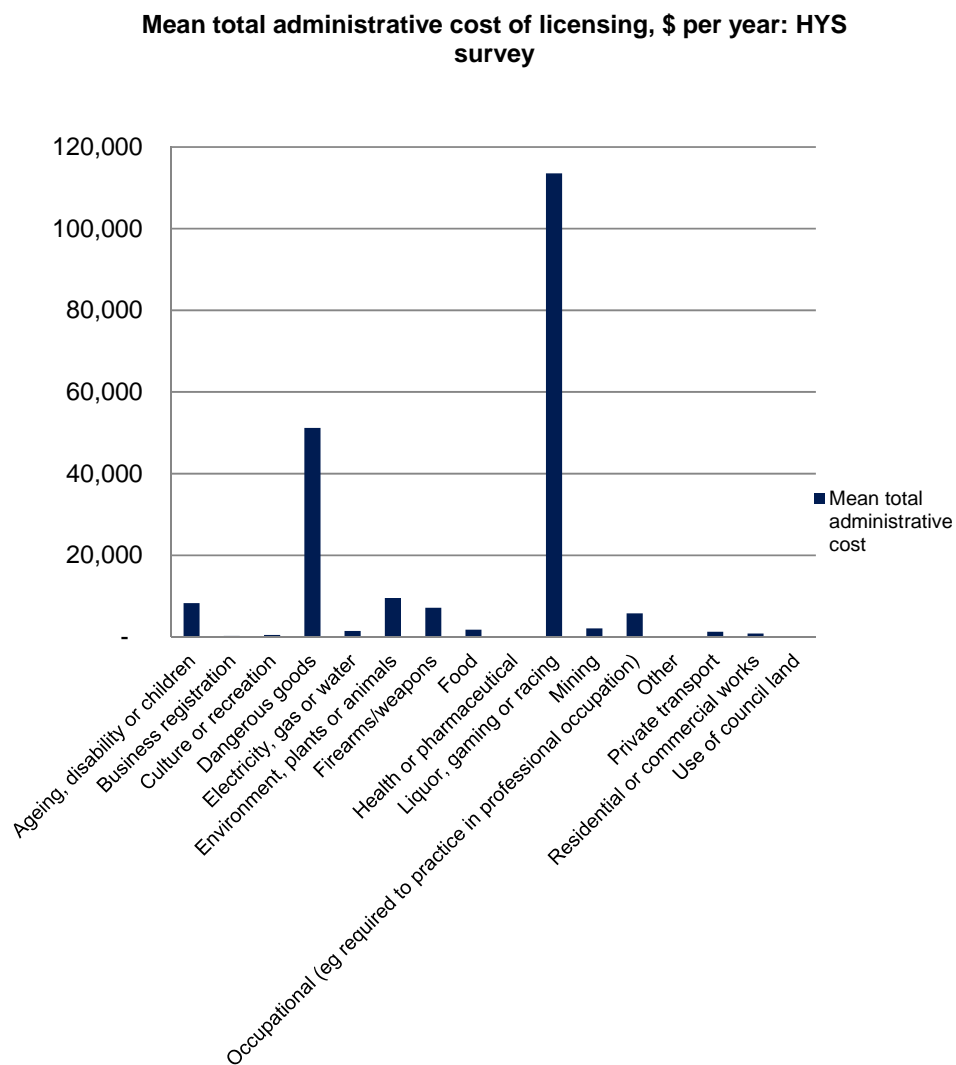
**Source:** IPART analysis using *Have your say* survey data.

Detailed analysis of administrative burden by licence area was limited due to the small number of observations in most categories. Results of the analysis suggest that the highest total administrative costs were in:

- ▼ 'Liquor, gaming or racing' category (\$113,556 per year)
- ▼ 'Dangerous goods' (\$51,191 per year)
- ▼ 'Environment, plants or animals' (\$9,565) (see Figure N.7).

These results are of limited statistical significance.

**Figure N.7** Estimated total administrative burden of licensing, \$ per year, *Have your say* survey of licence holders



**Source:** IPART analysis using *Have your say* survey data.



### Compliance and other costs

The 'Compliance and other costs' question of the *Have your say* survey of licence holders asked the respondents to provide their estimate of expenses required to comply with licence terms and conditions. These expenses are in addition to business-as-usual operations. Categories covered in survey included:

- ▼ purchase and maintenance of equipment
- ▼ printing materials, signage, etc.
- ▼ staff training
- ▼ mandatory insurance if applicable
- ▼ professional membership fees if applicable
- ▼ mandatory external audits/technical inspections
- ▼ purchase of expertise to comply with the licence (eg, consultants, solicitors, engineers, etc.)
- ▼ costs associated with holding land, labour or capital while waiting for approval
- ▼ licence fees
- ▼ contribution to statutory funds, if applicable
- ▼ other compliance costs.

Total compliance cost is a sum of the above cost components.

Based on a full sample analysis:<sup>450</sup>

- ▼ The mean reported compliance cost was
  - \$9,421 per year (\$14,106 per year for the respondents reporting non-zero compliance expenditure).

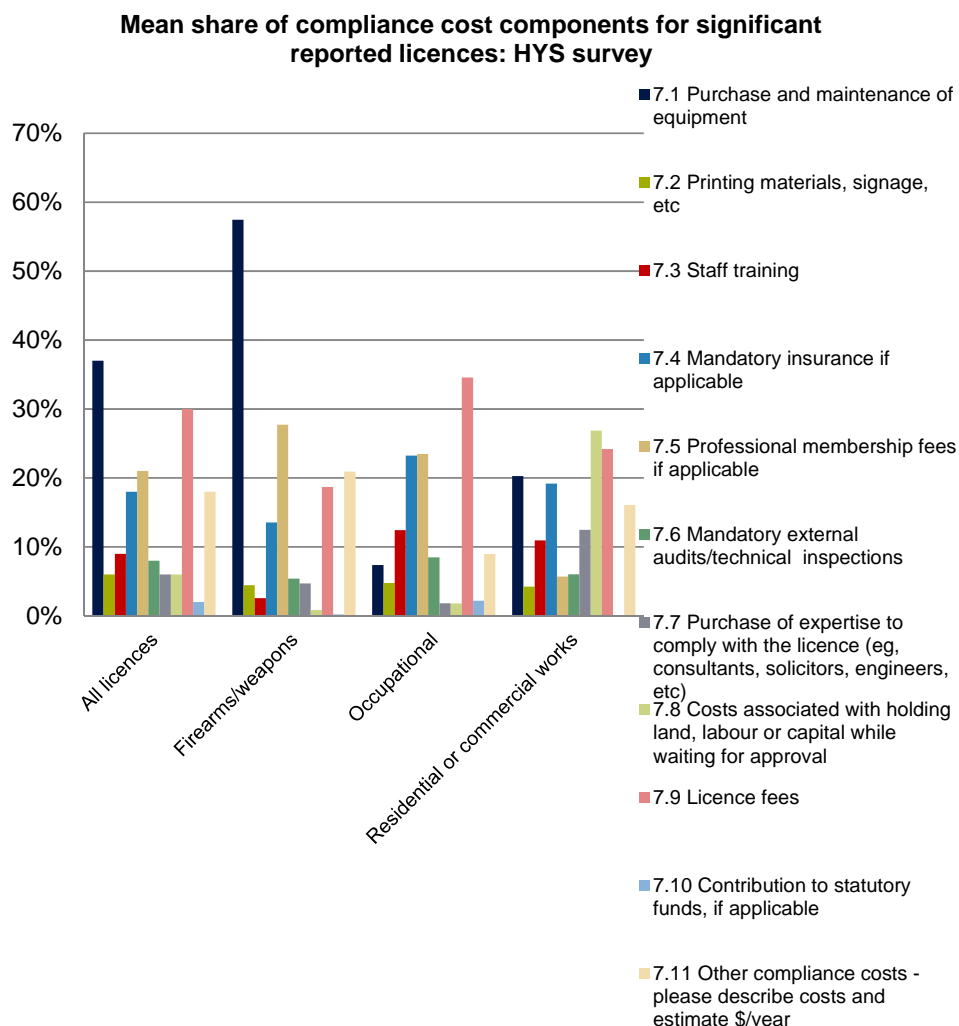
In terms of relative importance of cost components in total compliance cost, the most burdensome categories, measured by the highest mean reported share, were:

- ▼ purchase and maintenance of equipment (37% mean share)
- ▼ licence fees (30%)
- ▼ professional membership fees (21%).

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<sup>450</sup> An outlier (HYS ID 247) was identified during the data examination process. The respondent with HYS ID 247 is a Fitness instructor reporting 6,140 hours spent per year on *Speaking on the phone/ visiting the agency in person*. This observation was excluded from the analysis of administrative and compliance costs. The full sample analysis in this section refers to 271 observations.

**Figure N.8 Composition of compliance burden of licensing for significant reported licences, *Have your say* survey of licence holders**



**Source:** IPART analysis using *Have your say* survey data.

Detailed analysis of compliance costs by specific licence area and compliance activity was limited by a small number of responses. However, 3 licence categories ('Firearms/weapons', 'Occupational' and 'Residential/commercial works') had a sufficient number of observations to draw statistically significant, but potentially biased, implications.

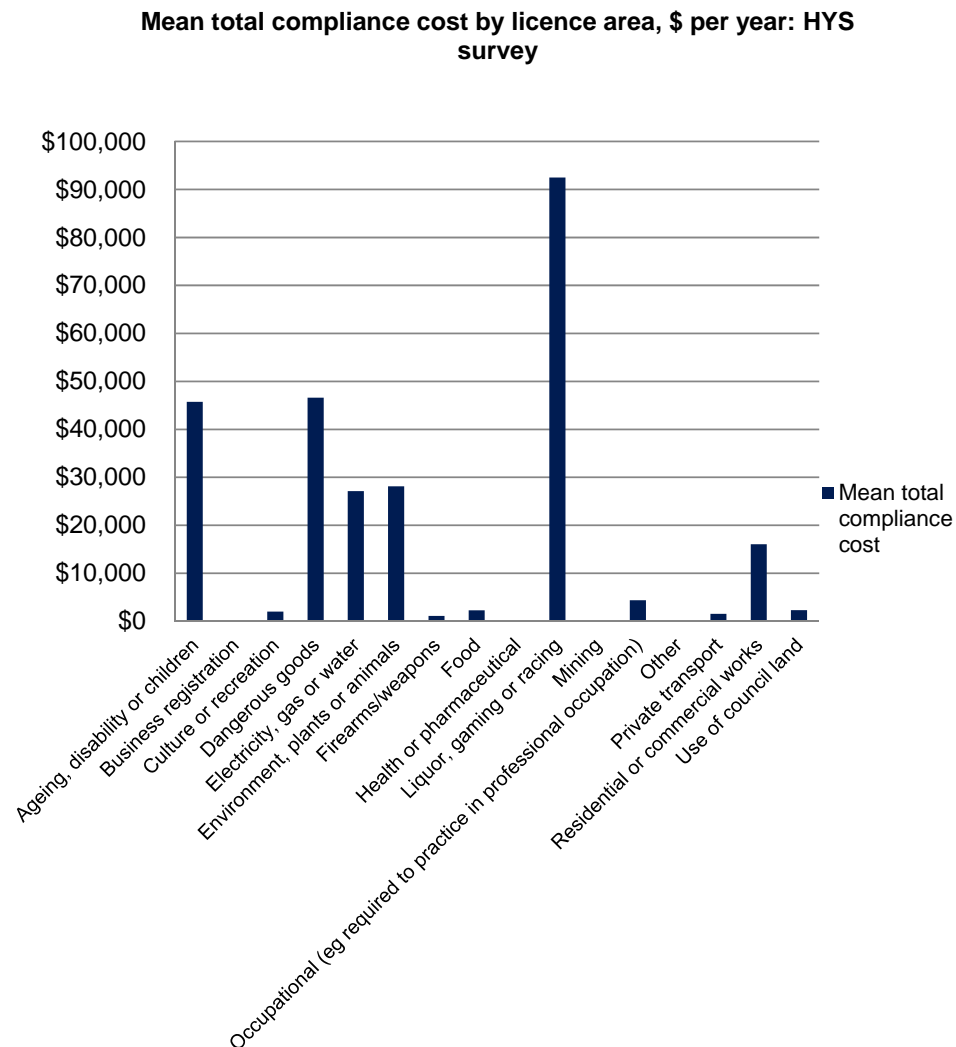
Comparison of compliance burden of licensing across licence areas highlights that the share of specific compliance activities in total differs across licence areas:

- ▼ 'Firearms/weapons' licences had the highest burden related to 'Purchase and maintenance of equipment' (58% mean share vs. 37% full sample mean share).

- ▼ 'Occupational' licences have an above average burden through:
  - licence fees (35% vs. 30% full sample share)
  - professional membership fees (24% vs. 21%)
  - purchase and maintenance of equipment is relatively unimportant (7% vs. 37% mean share).
- ▼ 'Residential/commercial works' licences experience high delay costs (25% mean share vs. 6% full sample mean share) (see Figure N.8).

Mean compliance cost by licence area results, which are of limited statistical significance for most categories, are presented in Figure N.9.

**Figure N.9 Estimated total compliance burden of licensing, \$ per year, *Have your say* survey of licence holders**



**Source:** IPART analysis using *Have you say* survey data.

Using these limited results, the highest compliance cost licences were:

- ▼ 'Liquor, gaming or racing' (\$92,473 per year).
- ▼ 'Dangerous goods' (\$46,608 per year).
- ▼ 'Ageing, disability and children' (\$45,725) (see Figure N.9).

### Total burden of licensing

The total burden of licensing on licence-holders was calculated as a sum of administrative costs and compliance costs.

Based on a full sample analysis:<sup>451</sup>

- ▼ Mean total burden of licensing was \$20,408 per year (\$25,486 for the respondents reporting non-zero administrative or compliance costs).

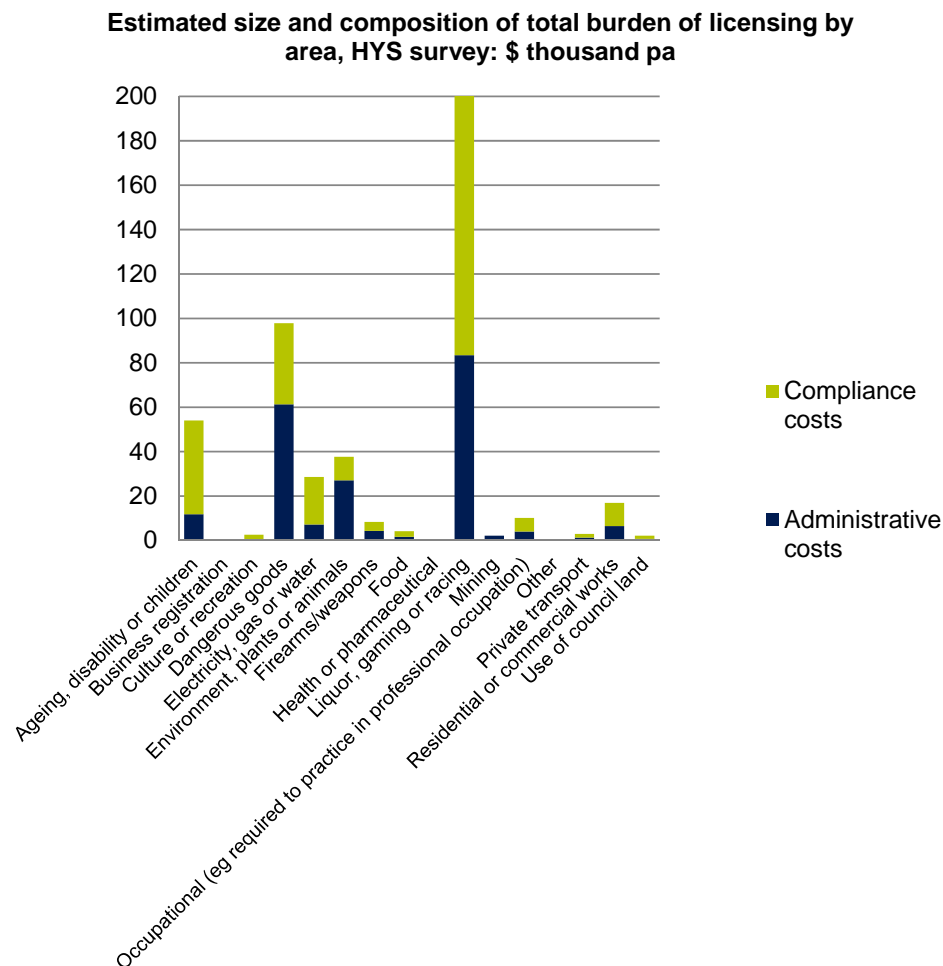
This estimate is driven by a small number of respondents reporting extremely large administrative and/or compliance costs (namely, registered clubs in 'Liquor, gaming or racing' licence category). When applying a robust estimating technique based on the median, we get a more modest estimate of the total burden associated with licensing of \$1,043 - \$1,583 in the full sample.

Given our data constraints, the limited estimates of total burden associated with licensing are presented in Figure N.10.

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<sup>451</sup> An outlier (HYS ID 247) was identified during the data examination process. The respondent with HYS ID 247 is a Fitness instructor reporting 6,140 hours spent per year on *Speaking on the phone/ visiting the agency in person*. This observation was excluded from the analysis of administrative and compliance costs. The full sample analysis in this section refers to 271 observations.

**Figure N.10 Estimated size and composition of total burden of licensing, *Have your say* survey of licence holders**



**Source:** IPART analysis using *Have your say* survey data.

The highest total burden of licensing was associated with the following licence categories:

- ▼ 'Liquor, gaming or racing' (total estimated burden of \$206,029 per year, 41% of which result from administrative time costs)
- ▼ 'Dangerous goods' category (total cost \$97,799 per year, 63% administrative share)
- ▼ 'Ageing, disability and children' (\$54,021, 22% administrative).

## Reform options

The *Have your say* survey of licence holders asked the respondents to evaluate potential licence reform options, including:

- ▼ increase licence duration
- ▼ remove reporting of the same information to multiple agencies
- ▼ facilitate information sharing between agencies
- ▼ remove or reduce reporting requirements
- ▼ align business and licence reporting cycles
- ▼ remove or ease qualification requirements
- ▼ remove or ease ongoing competency requirements
- ▼ remove or ease conduct requirements
- ▼ increase thresholds and/or expand exemptions
- ▼ create a one-stop-shop for all licence applications
- ▼ increase provision of online services
- ▼ recognise licences from other States
- ▼ remove or reduce licence fees
- ▼ abolish licence and rely on broader regulatory framework.

Based on the full sample analysis, the leading priority reform options as perceived by respondents<sup>452</sup> were:

- ▼ reduce licence fees (77.9%)
- ▼ increase provision of online services (71.0%)
- ▼ increase licence duration (68.4%)
- ▼ recognise licences from other States (65.1%)
- ▼ reduce reporting requirements (59.9%)
- ▼ create a one-stop-shop for all licence applications (57%).

## The impact on small business

The *Have your say* survey of licence holders managed to provide valuable information on small businesses: 63 respondents, or 23% of total sample, identified themselves as small business, distributed across 10 licence areas. Additionally, 16 respondents, or 6% of the sample, identified themselves as not-for-profit, distributed across 8 licence areas.

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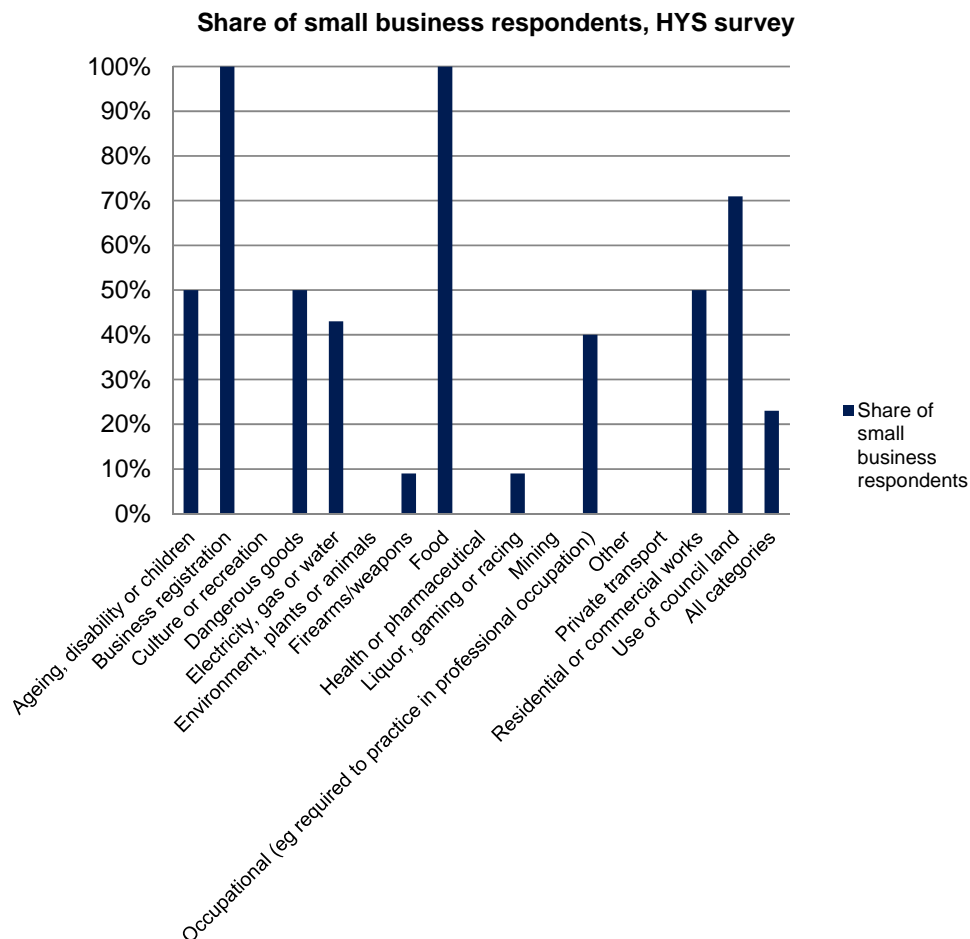
<sup>452</sup> Calculated as sum of two categories 'High' and 'Medium'.

Licence areas with small businesses accounting for at least 50% of responses were:

- ▼ 'Food'
- ▼ 'Business registration'
- ▼ 'Dangerous goods'
- ▼ 'Residential or commercial works' (Figure N.11).

Reform options formulated in these licensing areas are likely to have a direct effect on small businesses.

**Figure N.11 Coverage of small businesses by reported licence area, *Have your say* survey of licence holders**



**Source:** IPART analysis using *Have you say* survey data.

Estimating the total burden of licensing by respondent type, we found that mean total burden associated with licences, and the share of administrative costs in the total burden, were as follows:

- ▼ individuals (\$5,787 per year total burden, 47% administrative share)
- ▼ small business (\$19,637 per year, 44% administrative)
- ▼ not-for-profit (\$32,402 per year, 66% administrative)
- ▼ businesses (\$108,776 per year, 42% administrative).

Note the high total burden reported by 'not-for profit' respondents and the high share of the total burden resulting from administrative costs. Limited data was available at finer level of disaggregation by licence area and respondent type. The 'small business' level analysis can only be applied to 'Firearms/weapons', 'Occupational' and 'Residential/commercial work' categories.



## O Meetings/consultations with regulators and other stakeholders

### Issues Paper submissions

**Table O.1 Stakeholders who made submissions to the Issues Paper for this review**

Stakeholder
Architects Accreditation Council of Australia
Australian Environmental Pest Managers Association Ltd
Australian Hotels Association NSW
Australian Institute of Architects NSW Chapter
Australian Institute of Building
Australian Property Institute NSW
Australian Sustainable Business Group
Building Professional Board
Caltex
Coles - (Confidential)
Fitness Australia
Food Authority
Housing Industry Association
Individuals (23)
Liquor Stores Association NSW
Live Performance Australia
Master Grocers Australia Liquor Retailers Australia
Master Plumbers Association of NSW
National Uniform Drillers Licensing Committee
NSW Architects Registration Board
NSW Business Chamber
NSW Environment Protection Authority
NSW Irrigators Council
NSW Ministry of Health
Office of the NSW Small Business Commissioner
Real Estate Institute of New South Wales
Scarlet Alliance Australian Sex Workers Association
Shoalhaven City Council
Shopping Centre Council of Australia

- O Meetings/consultations with regulators and other stakeholders

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**Stakeholder**


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Sydney Water  
The CIE  
The Coastwatchers Association Inc.  
The Hills Shire Council  
The Law Society of New South Wales  
Urban Realists Planning and Health Consultants  
Wollondilly Shire Council

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**Total: 59 submissions**

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**Source:** Submissions to IPART Issues Paper received between 30 October 2012 and 5 February 2013.

**Table O.2 Stakeholder meetings/consultations held during the course of this review**

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**Stakeholder**


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Australian Sustainable Business Group  
Children's Guardian  
Dutch Regulatory Reform Group  
Fairfield City Council  
Fisheries NSW  
Government Licensing Service  
NSW Architects Registration Board  
NSW Department of Education and Communities  
NSW Department of Finance and Services  
NSW Department of Premier and Cabinet  
NSW Department of Primary Industries  
NSW Department of Trade and Investment, Regional Infrastructure and Services  
NSW Environment Protection Authority  
NSW Fair Trading  
NSW Food Authority  
NSW Police Force  
NSW Small Business Commissioner  
NSW Treasury  
Office of Environment and Heritage  
Office of Liquor, Gaming and Racing  
Queensland Competition Authority  
Randwick City Council  
Roads and Maritime Services  
Service NSW  
Stenning & Associates Pty Ltd  
Transport for NSW  
Victorian Department of Treasury and Finance  
WorkCover NSW

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## Roundtable participants

**Table O.3 Public roundtable participants, 12 February 2013**

Participant
Australian Institute of Building
Australian Property Institute
Australian Sustainable Business Group
Caltex
Fitness Australia
Liquor Stores Association of NSW
Master Growers Australia
National Occupational Licensing Authority
NSW Architects Registration Board
NSW Business Chamber
NSW Environment Protection Authority
NSW Fair Trading
NSW Food Authority
NSW Office of Liquor, Gaming and Racing
NSW Small Business Commissioner
Real Estate Institute of NSW
Roads and Maritime Services
Shopping Centre Council of Australia
The Hills Shire Council
Transport for NSW
WorkCover NSW

**Note:** In total there were about 100 attendees at our public roundtable which was held on 12 February 2013. This table does not list all public roundtable attendees. It only lists those attendees who sat at the roundtable.

## NSW local councils

All NSW local councils were sent the local council licence survey. We achieved a high response rate to this survey of 74.3% (a survey was returned by 113 of the 152 local councils). Respondent councils represented 85.8% of the NSW population.

## NSW Government departments and agencies

All NSW Government departments and agencies were sent the licence survey. We received a survey response from 75.9% of NSW Government agencies (a survey response was returned by 211 NSW Government agencies). This includes a 100% response rate for agencies that had been sent a prepopulated survey.

## Have your say survey

**Table O.4** Number of responses to *Have your say* survey by licence type

Licence type	Responses	Percentage of total
Accredited certifier	4	1.5%
All	1	0.4%
Approval to develop land	1	0.4%
Architect	2	0.7%
Authorised certifier	1	0.4%
Bricklayer licence	1	0.4%
Broiler chicken farm	1	0.4%
Builder licence	8	2.9%
Charity	1	0.4%
Chemicals	1	0.4%
Childcare	2	0.7%
Conveyancer	1	0.4%
Development consent	1	0.4%
Driver licence	4	1.5%
EG authorised SP	2	0.7%
EG retail	1	0.4%
Eggs producer	1	0.4%
Entertainment	1	0.4%
EPL	6	2.2%
Event on a road	1	0.4%
Exploration licence	1	0.4%
Explosives	4	1.5%
Firearm registration	1	0.4%
Firearms	119	43.8%
Firearms dealer	1	0.4%
Firearms registration	1	0.4%
Fishing	1	0.4%
Fitness trainer	10	3.7%
Game council R-licence	1	0.4%
Gas fitter	2	0.7%
Irrigation	2	0.7%
Jetty and boat ramps	1	0.4%
Licence	1	0.4%
Liquor licence	6	2.2%
Marriage registration	1	0.4%
Motor vehicle	2	0.7%
Owner builder	1	0.4%
Pharmacy	1	0.4%
Private watercraft	3	1.1%

Licence type	Responses	Percentage of total
Property manager	1	0.4%
Protected fauna	1	0.4%
PTA	5	1.8%
Pump licence	1	0.4%
Pyrotechnician	1	0.4%
Real estate agent	9	3.3%
Registered club	1	0.4%
Retail alcohol sales	1	0.4%
Rider licence	2	0.7%
RSA	2	0.7%
Seafood licence	1	0.4%
Security consultant	4	1.5%
Stakeholder Relationship Management Licence	1	0.4%
Structural landscaper	1	0.4%
Surveyor	2	0.7%
Travel agent	1	0.4%
Valuer	34	12.5%
Water licence	3	1.1%
Wildlife keeper	1	0.4%
<b>Total</b>	<b>272</b>	<b>100.0%</b>

**Note:** Licence types are presented as they were named by licence holders in their survey response.

**Source:** IPART analysis using Have your say survey data.

## P Overview of why some numbers have changed between our Draft and Final Reports

Table P.1 provides a brief explanation of why some numbers have changed between our Draft and Final Reports following the incorporation of updates provided by agencies and further analysis conducted by IPART.

**Table P.1 Why some numbers have changed between our Draft and Final Reports**

	Draft Report	Final Report	Why this number has changed
<b>Number of licence types in NSW</b>	776	769	The number of licence types in NSW has been revised down from 776 licence types, correcting double-counting of seven licence types by agencies in their original survey responses. There were seven licence types that had been unintentionally double-counted (these were mostly various sub-types of Heavy Vehicle Permits that had already been counted under the licence type 'Heavy Vehicle Permit'). These licence types have now been removed from our licence survey analysis and references to the number of licence types in NSW have been updated throughout the Final Report.
<b>Number of 'significant' licences</b>	269	310	<p>In section 4.2 and Appendix H of our Draft Report, we identified 44 'other' licences that were not initially identified by us (when initially sending the licence questionnaire to NSW Government agencies) or subsequently by the agencies themselves to be 'significant'. Questionnaires were not filled out for these licences.</p> <p>These 44 'other' licence types were later identified by applying the same criteria that we used to screen and prioritise 'significant' licences using the licence survey data (ie, the top quartile (25%) of licences ranked by number of licensees and the top quartile (25%) of licences ranked by licence revenue).</p> <p>We subsequently contacted the relevant regulators and asked them to complete the questionnaire for each of the 44 'other' licences. We received questionnaire responses from the relevant regulators for 41 of the 'other' licence types that were identified in Appendix H of our Draft Report.<sup>a</sup></p> <p>These 41 'other' licence types were added to the original 269 'significant' licences, resulting in 310 'significant' licences for our Final Report.</p>

	Draft Report	Final Report	Why this number has changed
<b>Number of 'Top' priority licences</b>	32	40	<p>It should be noted that the medians used in Table 5.1, Tables H.3, H.4 and H.5 in Appendix H, and Tables J.1, J.2 and J.3 in Appendix J, are the original medians used to assess the original 269 significant licences.</p> <p>We also applied our policy scoring methodology to assess the administrative and design reform potential of the 41 'other' licences referred to above, to identify additional licence reform priorities.</p> <p>This has resulted in an expansion of our initial 'Top 32' list of priority licences. Of the 41 'other' licences, there are 13 licences with 'above median' policy scores. These were added to the bottom of the 'Top 32' priority list published in the Draft Report.</p> <p>Further analysis has resulted in the exclusion of two licence types from the 'Top' priority licences list on the basis that these licence were determined to be out of scope (see Table P.2 for further explanation).</p> <p>In addition to this, three other licence types originally in the 'Top 32' have been also been excluded as they are no longer relevant to the priority licence list (see Table P.2 for further explanation).</p> <p>As such, the list of priority licences for our Final Report is a list of the 'Top 40' priority licence types.</p>

<sup>a</sup> Forests NSW did not provide a questionnaire response for licence type: 'Occupation Permit (Forestry)'. Roads and Maritime Services did not provide a questionnaire response for licence types: 'Oversize Specific Permit' and 'Overmass and Oversize Specific Permit' (as these 2 licence types had actually already been counted as part of the survey and questionnaire returned for licence type: 'Heavy Vehicle Permit').

**Table P.2 Licence types excluded from the 'Top 40'**

Licence type	Why this licence type has been excluded
<b>Standpipes - licence to extract water from hydrants (Hunter Water Corporation)</b>	This licence was included in our licence survey as a result of using such a broad definition of a licence. It has been excluded as it is considered out of scope for the purpose of our review – the licence is essentially a hire agreement. In addition, Sydney Water did not include the equivalent licence in their survey response and thus it would be biased to penalise Hunter Water Corporation if not also assessing Sydney Water.
<b>Tenancy licence (Office of Environment and Heritage)</b>	This licence was included in our licence survey as a result of using such a broad definition of a licence. It has been excluded as it is considered out of scope for the purpose of our review – the licence is essentially a commercial lease agreement and so is not relevant for our review.
<b>Bore water licence (NSW Trade &amp; Investment)</b>	The number of Bore Water Licences has declined significantly (to approximately 1,750 licences, from about 33,000) since our licence survey was conducted, following reforms to modernise the legislative framework for how water is managed in NSW. This licence has been excluded given the recent, significant changes to the regulatory environment surrounding this licence type and the substantial reduction in licence numbers.
<b>Natural gas retail suppliers authorisation</b>	The NSW Government is no longer responsible for this licence type. Since 1 July 2013 responsibility has been transferred to the Federal regulator – the Australian Energy Regulator.

Licence type	Why this licence type has been excluded
Retail electricity supplier's licence	The NSW Government is no longer responsible for this licence type. Since 1 July 2013 responsibility has been transferred to the Federal regulator – the Australian Energy Regulator.



## Abbreviations and acronyms

AACA	Architects Accreditation Council of Australia
ABS	Australian Bureau of Statistics
ACL	Australian Consumer Law
AEMO	Australian Energy Market Operator
AGD	Department of Attorney General and Justice
AHA	Australian Hotels Association (NSW)
AIB	Australian Institute of Building
AIHW	Australian Institute of Health and Welfare
AIS	Authorised Inspection Scheme
ANZFS Code	Australia New Zealand Food Standards Code
APEC	Asia-Pacific Economic Cooperation
API	Australian Property Institute
ARB	NSW Architects Registration Board
ARC	Australian Refrigeration Council Ltd
ASBG	Australian Sustainable Business Group
ASP	Accredited Service Provider
AUD	Australian Dollar
Ave	'average', or 'mean'
BASIX	Building Sustainability Index
BCV	Building Commission of Victoria

BIE	Bureau of Industry Economics
BITRE	Bureau of Infrastructure, Transport and Regional Economics
BLIS	Business Licence Information Service
BRO	Better Regulation Office
BRS	Better Regulation Statement
CBA	cost-benefit analysis
CCO	Chemical Control Order
CGE	Computable General Equilibrium
CL Act	<i>Conveyancers Licensing Act 2003 (NSW)</i>
CNG	Compressed Natural Gas
COAG	Council of Australian Governments
CPD	continuing professional development
CPI	Consumer Price Index
DFS	Department of Finance and Services
DLG	Division of Local Government
DNSP	Distribution Network Service Provider
DPC	Department of Premier and Cabinet
DPI	Department of Primary Industries
DTIRIS	Department of Trade and Investment, Regional Infrastructure and Services, also known as NSW Trade and Investment
Education and Communities	Department of Education and Communities
EHC Act	<i>Environmentally Hazardous Chemicals Act 1985 (NSW)</i>
EI Act	<i>Entertainment Industry Act 1989 (NSW)</i>
EPA	Environment Protection Authority

EPL	Environment Protection Licence
ES Act	<i>Electricity Supply Act 1995</i> (NSW)
et. al.	Latin, short for et alii, meaning “and others”. Used in citations to complete a list of authors of the cited work.
FM Act	<i>Fisheries Management Act 1994</i> (NSW)
Food Act	<i>Food Act 2003</i> (NSW)
FSS	Food Safety Supervisor
FTE	full-time equivalent
GDP	Gross Domestic Product
GLS	NSW Government Licensing Services
Govt.	Government
GS Act	<i>Gas Supply Act 1996</i> (NSW)
GSP	Gross State Product
GST	Goods and Services Tax
HBL	Home Building Licence
HIA	Housing Industry Association
HVNL	Heavy Vehicle National Law
HYS survey	<i>‘Have your say’</i> survey
ibid.	Latin, short for ibidem, meaning “the same place”. This is used to refer to a source that is cited in the preceding footnote.
ILGA	Independent Liquor and Gaming Authority
I-O table	Input-Output table
IPART	Independent Pricing and Regulatory Tribunal
LG	Local Government
LHPA	Livestock Health and Pest Authority

Licensing Framework	PricewaterhouseCoopers (PwC) (2013), <i>A best practice approach to designing and reviewing licensing schemes</i>
Licensing Guide	PricewaterhouseCoopers (PwC) (2013), <i>A best practice approach to designing and reviewing licensing schemes – Guidance material</i>
LPA	Live Performance Australia
LPG	Liquefied Petroleum Gas
LSA	Liquor Stores Association
NCP	National Competition Policy
NECF	National Energy Customer Framework
NHVR	National Heavy Vehicle Regulator
NIA Act	<i>Non-Indigenous Animals Act 1987 (NSW)</i>
NIA Regulation	<i>Non-Indigenous Animals Regulation 2012 (NSW)</i>
NOLA	National Occupational Licensing Authority
NOLS	National Occupational Licensing System
NOW	NSW Office of Water
NSW Trade & Investment	Department of Trade and Investment, Regional Infrastructure and Services
NUDLC	National Uniform Drillers Licensing Committee
OAM	Medal of the Order of Australia
OBP	Owner Builder Permit
OECD	Organisation for Economic Co-operation and Development
OLGR	Office of Liquor, Gaming and Racing
OSBC	Office of the Small Business Commissioner
pa	'per annum', or 'per year'
PC	Productivity Commission

PMVI	Periodic motor vehicle inspections
POEO Act	<i>Protection of the Environment Operations Act 1997</i> (NSW)
POI	Proof of Identity
PSBA Act	<i>Property Stock and Business Agents Act 2002</i> (NSW)
PT Act	<i>Passenger Transport Act 1990</i> (NSW)
PTA	permit to acquire firearms
PwC	PricewaterhouseCoopers
QRS	NSW Government's Quality Regulatory Services initiative
R&CA	Restaurant & Catering Association
RailCorp	Rail Corporation NSW
RBP	Registered Building Practitioner
RCG	Responsible Conduct of Gaming
Rego	(vehicle) registration
REIT	Real Estate Investment Trust
RIA	Regulatory Impact Assessment
RIS	Regulatory Impact Statement
RMS	NSW Roads and Maritime Services
RSA	Responsible Service of Alcohol
SCCA	Shopping Centre Council of Australia Limited
SCM	Standard Cost Model
SEPP	State Environmental Planning Policy
SPSS	IBM SPSS Statistics statistical software package
SSRN	Social Science Research Network
TCF	Travel Compensation Fund

TFP	Total Factor Productivity
ToR	Terms of Reference
Valuers Act	<i>Valuers Act 2003</i> (NSW)
WHS	Work, Health and Safety
WWCC	Working With Children Check