

Another day, another licence

Business licensing in WA

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Business licensing inquiry

- In 2017, the ERA was asked to conduct an inquiry into reform of business and occupational licensing in WA.
- Final report delivered to Government on 22 February 2019.
- 15 recommendations, focused on fixing three key problems:
 1. The absence of a culture of active management and improvement across regulatory agencies.
 2. Low prioritisation of review and reform initiatives.
 3. Lack of awareness and community insight into the costs and benefits of licensing.

Findings

700

State government licensing schemes.

43

Agencies with responsibility for business licensing.

200

Schemes with no information on the relevant agency website.

2
million

Business licences on issue.

1/5

Of legislation establishes a licensing scheme.

The horror stories (1)

Pointless reviews

- 60% of schemes have not had their policy purpose reviewed in 10 years.
- 70% of schemes have not had enforcement and compliance reviewed in 6 years.
- 40% of scheme reviews from the past six years have had no recommendations implemented.





Compliance officer shortages

- In 2017, Worksafe had 93 inspectors – the lowest ratio of inspectors across Australia.
- Under the painters' registration scheme, the number of inspectors reduced from five to one.

WA vs the east coast



WA-only/unusual licences

- Real estate developers
- Land values
- Employment agents
- Motor vehicle repairers
- Motor vehicle salespeople
- Motor vehicle sales yard managers

Who's doing it well? (1)

Consumer engagement – Australian Energy Regulator

- Consumer Challenge Panel formed in recognition of a lack of consumer voice.
- Existing consumer orgs lack the resources to get across technical detail.
- Independent review supported the ongoing operation of the panel.



Who's doing it well? (2)



Successful reforms – British Columbia

- “Excessive regulation” blamed for BC’s economic underperformance in the 90s.
- Net zero regulation increase target, 600 proposals submitted from the public.
- Regulatory requirements halved between 2001 and 2017.

Recommendations (1)

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1. Appointment of a “Minister for Licensing” to steer reform.
2. Implementation of a governance framework for all business licences.
3. Direction to manage licences as public assets.
4. Annual reporting on improvements and changes to schemes.
5. Annual omnibus bills for reforms.
6. Sunset clauses in licensing legislation.
7. Central government consultation website to improve consumer input.
8. Public reporting of Regulatory Impact Assessments.

Recommendations (2)

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9. Government unit to support agencies to review and improve schemes.
 10. Annual assessment of schemes with ERA-developed reporting tools.
 11. Implementation of outstanding review recommendations.
 12. Review of all schemes not considered in 10 or more years.
 13. Public compliance policies.
 14. ICT investment in digitisation.
 15. Address public sector skills gaps.

What happened to the report?

- No formal government response.
- Report provided to Streamline WA for consideration – the inter-government regulatory taskforce announced during the inquiry.
- Central government consultation website launched.
- Approvals WA website developed.
- As part of the State's COVID economic response, priority regulatory reforms are being progressed - focusing on reforms that will assist in stimulating economic growth.

- Barriers to reform remain
- COVID has shown us that a crisis can be a useful catalyst for wide-spread reform.
- The ongoing unsexy work of frequent review and maintenance remains central to keeping licensing fit for purpose.
- More at: www.erawa.com.au/licensinginquiry

Thank you

Questions?



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