

**National Licensing System
for Specified Occupations:**

Consultation Regulation Impact Statement

OCTOBER 2008

REGULATION IMPACT STATEMENT

NATIONAL LICENSING SYSTEM FOR SPECIFIED OCCUPATIONS

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Glossary

BRCWG	COAG Business Regulation and Competition Working Group
Business Licence	Any business licence that has been identified as having the same broad policy underpinning as the occupational licence/registration
CSRSC	COAG Skills Recognition Steering Committee
COAG	Council of Australian Governments
IGA	Intergovernmental agreement
Licence	Any licence, registration, permit, certificate of competency, approval etc, required by an individual or business in order to carry on an occupation within a specified occupational area.
MRA	<i>Mutual Recognition Act 1992 (Commonwealth)</i>
NLB	National Licensing Body
NLS	National Licensing System
OBPR	Office of Best Practice Regulation (Commonwealth)
Occupational Area	An occupation, trade or profession specified by COAG for inclusion in a National Licensing System
Occupational Licence	Any licence required for an individual to carry on an occupation within a specified occupational area
RIS	Regulation Impact Statement
VET	Vocational Education and Training

1 Introduction

On 3 July 2008, the Council of Australian Governments (COAG) agreed to the development of a national trade licensing system in the context of its broader agenda for regulatory reform. A series of public consultation sessions were held in late July 2008 outlining COAG's decision and inviting industry and regulatory stakeholders to submit their ideas and issues relating to the establishment of the National Licensing System (NLS). Feedback from these sessions and submissions from interested parties has been invaluable in developing the broad structural framework for the National Licensing System outlined in this paper. Details of the issues raised in consultations are contained in Section 11.

This Regulation Impact Statement (RIS) is intended to inform stakeholders of progress made in developing the new system and to seek their feedback on both the regulatory impacts and on the broad features of the proposed National Licensing System. Questions are placed throughout the RIS to help guide responses. The RIS is also being used as the basis for consultations to take place with industry and regulator stakeholders throughout Australia in October 2008.

Feedback from these consultations will inform decision-making on the National Licensing System by COAG.

The RIS does not discuss whether or not a National Licensing System should be adopted as COAG has made the decision to proceed to an Intergovernmental Agreement (IGA) on this basis. More information on the options considered following the 26 March 2008 decision by COAG to explore possible national systems for trade licensing are provided at Attachment A to the RIS. These options were discarded, as they do not have the features sought by COAG for a National Licensing System.

It should be noted that this RIS is concerned with the impact of the legislation required to establish the National Licensing System. The timeframe and processes for transition to, and implementation of, a national system will be a matter for the national governance structures established under the IGA. Once the IGA is signed, substantial further consultation will take place on the implementation of the system as it affects each occupational area. Decisions on implementation will be subject to further regulation impact statements. It is not expected that the National Licensing System would commence for any occupational area prior to 2012.

This paper has been prepared by the Commonwealth Government in association with State and Territory Governments through COAG's Skills Recognition Steering Committee (CSRSC). The CSRSC works under the auspices of COAG's Business Regulation and Competition Working Group (BRCWG).

1.1 How to make a Submission

The CSRSC is inviting submissions from interested parties on the issues raised by this consultation paper, the questions listed below and any other issues considered relevant to the development of the proposed Intergovernmental Agreement. Please note that there will be further opportunities for consultation on detailed implementation issues after an IGA is signed.

Submissions in response to this Consultation Paper can be provided by email to info@coagskillstaskforce.gov.au through the 'Contact' button on the www.licencerecognition.gov.au website and must be received no later than **COB AEST Friday, 31 October 2008**. This deadline is due to the next COAG meeting having been brought forward to 17 November 2008. Submissions to this RIS will be public documents unless marked confidential by the submissioner.

1.2 List of questions posed in the RIS

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1	Which is the most appropriate model for the implementation of the National Licensing System: the National Single Agency model or the National Delegated Agency model? Why?	23
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6	Do you have any views on how the National Licensing Body should be established and how it should operate?	28
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8	What are your concerns and expectations in relation to having a publicly available national register?	28
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14	How do you see the disciplinary system working most appropriately?	35
15	What other functions should be included in a National Licensing System?	36
16	Are there any issues to be resolved as a result of the separation of functions from existing jurisdictional legislation? How might these be resolved?	37
17	Are there any other occupational licensing functions you think need to be included?	38
18	Is it appropriate for jurisdictional regulators to continue to have	38

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19	How should disciplinary arrangements work under the National Licensing System?	39
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2 Context

COAG has decided to pursue wide-ranging regulatory reform in order to increase Australia's productivity and provide the environment for a seamless national economy. This follows a number of reviews by governments over time, including "Rethinking Regulation: Report of the Taskforce on Reducing Regulatory Burdens on Business" (the Banks Report) of 2006 and the annual regulation review process by the Productivity Commission arising from its recommendations. COAG believes that Australia's productivity is hampered by duplicative and inconsistent regulations that are compromising economic competitiveness and require reform.

At its 3 July 2008 meeting, COAG:

... acknowledged that Australia's overlapping and inconsistent regulations impede productivity growth. Without change Australia's future living standards would be compromised, the competitiveness of the economy reduced and our ability to meet the challenges posed by an ageing population diminished.

Many of the challenges facing the economy can only be addressed through more effective Commonwealth-State arrangements. By moving towards a seamless national economy through the reform of business and other regulation, COAG's reforms will make it easier for businesses and workers to operate across State and Territory (State) borders. These reforms will make life simpler for businesses and consumers, while continuing to provide the necessary protections and access for consumers and the community.

As one part of its commitment to a seamless economy, COAG has agreed to a new consumer policy framework comprising a single national consumer law. This will provide a uniform and higher-level protection for Australia's consumers while reducing compliance costs for business and increasing access to information on dispute resolution and consumers issues. The Productivity Commission has estimated the economic benefits of the new framework at between \$1.5 billion and \$4.5 billion a year.

The National Licensing System outlined in this paper builds on this and other COAG initiatives by further reforming regulation and providing consistent linkages between the licensing of occupational areas and national consumer protection law.

The Business Regulation and Competition Working Group (BRCWG) was established by COAG to oversee reforms that deliver significant improvements to Australia's productivity and internal competitiveness. It is currently managing 27 areas of regulatory reform and has been charged by COAG to oversee work on developing a National Licensing System. The COAG Skills Recognition Steering Committee (CSRSC) is supporting the work of the BRCWG.

On 3 July 2008 COAG considered recommendations from the BRCWG that were informed by the work of the CSRSC. The CSRSC has also overseen work on improving the mutual recognition of occupational licensing, which arose from a COAG decision of February 2006.

COAG agreed to develop a National Licensing System with the following characteristics:

- cooperative national legislation;

- national governance arrangements to handle standard setting and policy issues and to ensure consistent administration and compliance practices;
- all current holders of state and territory licences being deemed across to the new licence system at its commencement;
- the establishment of a publicly available national register of licensees; and
- the Commonwealth having no legislative role in the establishment of the new system

The National Licensing System will initially be applied to seven occupational areas.

1. Air conditioning and refrigeration mechanics;
2. Building and building-related occupations;
3. Electrical;
4. Land transport (passenger vehicle drivers and dangerous goods only);
5. Maritime;
6. Plumbing and gasfitting; and
7. Property agents

These occupations were chosen based on the following selection criteria:

1. at least one critical area of the occupation was licensed across all jurisdictions;
2. all had been subject to the work on achieving full and effective mutual recognition;
3. the importance of the occupation to the economy in terms of level of demand, intrinsic mobility and number of licensees; and
4. the volume and nature of mutual recognition difficulties.

Other occupational areas that had been the subject of work on mutual recognition, but are not proposed to be included in the National Licensing System at this time, include motor mechanics, driving instructors, pilot and escort drivers, gaming occupations, shotfirers and pyrotechnicians and pest and weed controllers. Motor mechanics are only licensed in two jurisdictions therefore the benefit of including them in a national system is limited. The remaining occupations are considered to be of less importance to the economy either because of low levels of skills demand, small numbers of licences or low levels of mobility compared with the occupational areas selected. Additional occupational areas may be included in the National Licensing System over time.

Some of the occupations proposed to be covered by the National Licensing System are the subject of separate activity to provide more unified or harmonised regulation eg the work of the Australian Transport Council on a national approach to maritime safety in relation to commercial vessels. In all cases, further development of national licensing for these occupational areas will take place in cooperation with those undertaking this related work to ensure that there is no duplication and that there is an appropriate integration of desired outcomes. This may involve transferring responsibility for some elements of the work to other initiatives.

COAG requested that an IGA would be developed for consideration by COAG by December 2008. The IGA will provide the high-level framework and parameters to assist in informing the proposed national licensing system act on such matters as:

- governance arrangements;
- processes for implementing and amending legislation for the system;
- principles and objectives of the system; and
- policy development issues.

It is important to recognise that the current work is focussed on determining the structural framework necessary to establish the National Licensing System. Once the IGA is agreed by COAG, cooperative national legislation will be developed to implement the framework. This will then provide the basis for developing national licence policies and supporting regulations for each of the seven occupational areas.

This RIS therefore focuses on implementation options and on matters relating to the structure, scope and operation of the National Licensing System. It provides comparative information on the possible implementation models for the National Licensing System and discusses which functions should fall within the scope of the national system and which would be retained under State and Territory legislation.

3 The Problem

Licensing across jurisdictions is not consistent

Given the respective constitutional responsibilities of the Commonwealth, States and Territories, licensing of occupational areas is predominantly a State and Territory function and is conducted by a range of regulatory bodies in each State and Territory. For historical reasons, licensing systems have developed in different ways in each jurisdiction so that the approach to licensing is not consistent. Depending on the occupational area and/or the jurisdictions involved, the objectives of licensing may focus on consumer protection, occupational health and safety and public safety.

Regulatory bodies have responsibility for administering threshold licence entry criteria and ongoing conduct requirements for licensees. They monitor compliance and administer disciplinary procedures, maintain registers of licensees and oversee continuing professional development requirements. They may also manage the relationships between licensing systems and the consumer remedies available under a range of legislation.

Due to divergent jurisdictional policies and practices, licences issued for the same occupational area by individual jurisdictions often have different parameters for all these functions and different eligibility requirements and scopes of work. Varying licence nomenclature, duration, licence structures and fee structures commonly apply. Examples follow.

- There is no common approach to the regulation of air-conditioning and refrigeration mechanics. In some states they are regulated as part of the plumbing occupations and in others as air-conditioning and refrigeration mechanics.
- A National Training Package exists for plumbers with an ‘agreed’ four key streams of training but is used differently by each jurisdiction with different numbers of streams and different units of competency considered mandatory depending on the location of the person being trained and the licence structure applying.
- Some jurisdictions licence both domestic and commercial builders but some only licence domestic builders based on the low risk presented by commercial builders. This presents a problem, for example, for a commercial builder from NSW, who is not required to be registered, should they choose to operate in another jurisdiction.
- Some jurisdictions regulate property agents based on the concept of a general agent licensed to undertake work from a variety of areas (for example, Victorian estate agent which covers real estate and business agency) while in others the different areas are licensed separately (for example, New South Wales categories of real estate agent, stock and station agent, strata managing agent, business agent and residential property manager).
- Attempts to harmonise the regulation of restricted electrical licensing have been unsuccessful. In 1996, the then Regulators Authorities Licensing Council (RALC) developed a national model of 8 restricted electrical licence categories. Without co-ordinated national support for the implementation of the model, jurisdictions implemented it in different ways. As a result, the number of licence categories range from 5 in the ACT to 16 in Queensland.

Initial attempts at mutual recognition

Against the background of such diversity of licensing approaches, the *Mutual Recognition Act 1992* (MRA) was introduced to improve the mobility of licensed individuals between jurisdictions of individuals who perform licensed occupations. The MRA does not, however apply to business licences.

The Productivity Commission’s 2007 draft report “Performance Benchmarking of Australian Business Regulation: Quantity and Quality” noted that for business licences in each jurisdiction over 70 percent of regulators reported that they did not recognise interstate licences for any of the licensing processes they administered¹.

Under the MRA, occupational licence holders from one jurisdiction can apply to be registered in a second jurisdiction on the basis of their existing licence and without further assessment of their skills. Regulators in a second jurisdiction have an obligation to issue an applicant under mutual recognition with a licence to undertake activities that are ‘substantially the same’ as those permitted by that person under their licence in the first jurisdiction. They may use conditions on licences to achieve equivalence.

¹ At section 6.5 page 84.

There have been a number of evaluations of the operation of the mutual recognition arrangements since the Mutual Recognition Act was passed in 1992 however these have found that quantitative data is hard to find, some registration boards do not appear to understand their obligations and there is room for improvement in the operation of the schemes. The Productivity Commission, in its 2003 Report '*Evaluation of the Mutual Recognition Schemes*', considered that improvements could be made to the design of the schemes '*in relation to their operation, coverage and scope*'.

Full and effective mutual recognition

Following a COAG decision of 10 February 2006, the CSRSC was established to bring about full and effective mutual recognition. The CSRSC, through the use of ministerial declarations, has ensured agreement on licence equivalency between jurisdictions for the majority of licences within a number of occupations, including those occupational areas specified by COAG for inclusion in the National Licensing System. Considerable work was required to reach agreement and the results of this work are publicly available on the website www.licencerecognition.gov.au.

The need for a national licensing system

The direct compliance costs from overlapping regulation that are borne by businesses and eventually consumers include the costs of multiple licence fees, and the indirect costs include those of managing multiple regulatory regimes.

Both direct and indirect costs are particularly high for small to medium sized businesses for which they constitute a greater proportion of total costs. Moreover, the number of businesses affected is growing faster than the sector of the economy within which the majority of them operate. For example Australian Bureau of Statistics figures² have revealed:

- the construction sector accounts for a significant proportion of employed tradespeople and a significant proportion of licensed contractors;
- between 1 July 2003 and 30 June 2007, firms in this sector employing less than 20 people grew by 45.9%, while construction firms overall grew by 11.3%; and
- during this period, the number of construction firms operating in two jurisdictions grew by 19.9%, and the number of construction firms operating in more than one jurisdiction grew by 30%.

The costs of holding multiple licences can be significant. The following shows a range of fees that can apply for holding some of the relevant occupational licences, either in the first year or on an ongoing basis. The figures represent the highest and lowest fees of a particular licence category, showing the pro rata cost for one year. These figures are drawn from the table at Attachment A which lists the licensing fees for a selection of licences from these four major occupations. The figures in the table also illustrate the complexity of existing licence administration.

² ABS 8165.0: Counts of Australian Businesses including entries and exits, June 2003- June 2007: Businesses by Industry Division by Single State/Multi State, by Employment Size Ranges

Building - Individual building contractor (new)	\$333.00	to	\$1,010.65
Electrical - Individual electrician/qualified supervisor electrical (renewal)	\$ nil	to	\$350.00
Property – Individual real estate agent (new)	\$262.40	to	\$1,060.50
Maritime – Master Class 3 (new)	\$29.14	to	\$304.66

The implications of mutual recognition remain that a licence issued in one jurisdiction can be equivalent to a number of separate licences in another jurisdiction. For example, a Builder Low Rise – Contractor Grade in Queensland requires four different licences/registrations in order to undertake the same scope of work in South Australia. There are also significant concerns about the intensive work needed to maintain and update the declarations agreed.

Despite mutual recognition, while each State and Territory maintains different licensing regimes, licensees who want to move between jurisdictions must still apply for a licence, meet different skills and non-skills requirements and pay a separate licence fee for the equivalent licence(s) in each jurisdiction in which they wish to work. They may also need to satisfy other additional requirements not covered by mutual recognition in certain circumstances. This is particularly difficult for individuals and/or businesses operating in multiple jurisdictions and for those working in border areas, both of which must comply with different licensing and regulatory requirements.

To finalise the mutual recognition work for the seven occupational areas to be included in the National Licensing System, over 800 licences were identified, as indicated in the following table. Note that these figures are indicative. They comprise numbers of licence categories, classes and subclasses, licence levels and licence endorsements in Gazetted Ministerial declarations and those which are currently expected to be Gazetted for these occupational areas.

Number of licences in occupational areas

Trade Group	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Air Conditioning	6	1	3	-	4	1	-	-	15
Building & building related	50	32	84	7	102	22	12	4	313
Electrical	13	11	25	12	18	9	7	16	111
Land Transport	15	12	12	9	17	9	10	13	97
Maritime	16	12	12	13	14	12		12	91
Plumbing & gasfitting	27	22	24	6	24	12	14	8	137
Property	14	1	10	5	2	4	7	11	54
Total	141	91	170	52	181	69	50	64	818

Notes

1. The table does not include licence variations based on restrictions derived from developing the schedules to Ministerial declarations.
2. The figure for Electrical includes electrical contractors.
3. The figure for Land Transport includes passenger vehicles, pilot and escort vehicles, dangerous goods and driving instructors.
4. The figure for Property includes property agents, conveyancers and valuers.

Number of licenses by occupation

The following table represents the minimum number of licences held as data is difficult to confirm and not all State and Territory figures have been provided.

Occupational Area	Min. number of licences
Air-Conditioning and Refrigeration	34 202
Building	98 511
Electrical	201 238
Land Transport	77 367
Maritime	30 739
Plumbing and Gas-fitting	165 462
Property Agents	103 435
Total	710 954

The opportunity for introducing more consistent licence requirements which will reduce red tape for the large number of licence holders currently meeting regulatory requirements is therefore considerable. The review of the CSRSC's mutual recognition work in June 2008 (available on the website above) revealed a high degree of support for a national licensing system, rather than a continuation of mutual recognition arrangements.

It should be noted that the focus of COAG's decision of 3 July 2008 on national licensing is of a different order to that of the work on improving the operation of the Mutual Recognition Act. While mutual recognition is aimed at improving the mobility of skilled labour, national licensing is concerned with mobility within the wider context of streamlined, best practice regulation and the reduction of the regulatory burden on business and consumers. Mutual recognition arrangements for occupational areas not included in the National Licensing System will continue to operate and will be improved and refined over time.

4 COAG's objective in establishing the National Licensing System

COAG's objective in establishing the National Licensing System is to remove overlapping and inconsistent regulation between jurisdictions in the way that they licence occupational areas. By so doing, it aims to improve business efficiency and the competitiveness of the national economy, reduce red tape, improve labour mobility and enhance productivity.

5 Options for implementing the National Licensing System

Under whichever implementation model is agreed for the National Licensing System, it is proposed that:

- single national legislation would apply with a host jurisdiction enacting the primary legislation and all remaining States and Territories adopting an application of laws approach;
- a national body would be responsible for setting licence policy and a framework for operations;
- provision would be made for licence policy to encompass jurisdiction-specific issues where necessary and justified;
- a person or business could apply for a national licence that would be issued based on consistent eligibility criteria and would be applicable Australia-wide;
- a national public register of licensees would provide transparency and consumer confidence; and
- existing licence holders would be deemed to hold licences in the new system.

Two implementation options have been proposed: Option 1 the National Single Agency model³ and Option 2 the National Delegated Agency model⁴. Regardless of the model, it has been proposed that the States and Territories would have responsibility for the national licensing body and the Commonwealth would have no legislative role in the establishment of either model. Section 7 of this paper discusses the key features and Section 8 the characteristics of the National Licensing System.

Option 1 – National Single Agency model

Under this option (see Figure 1) a national licensing body would be established with branches of the agency in each State and Territory. It would be responsible for both advising the Ministerial Council on licence policy and the delivery of licence services to industry in each state and territory. These services would include the issue and renewal of licences and associated disciplinary arrangements. As a new single agency, it would be able to provide uniform policy development and service delivery and a consistent operational framework and organisational culture.

³ Sometimes called the Greenfields model

⁴ Sometimes called the Brownfields model

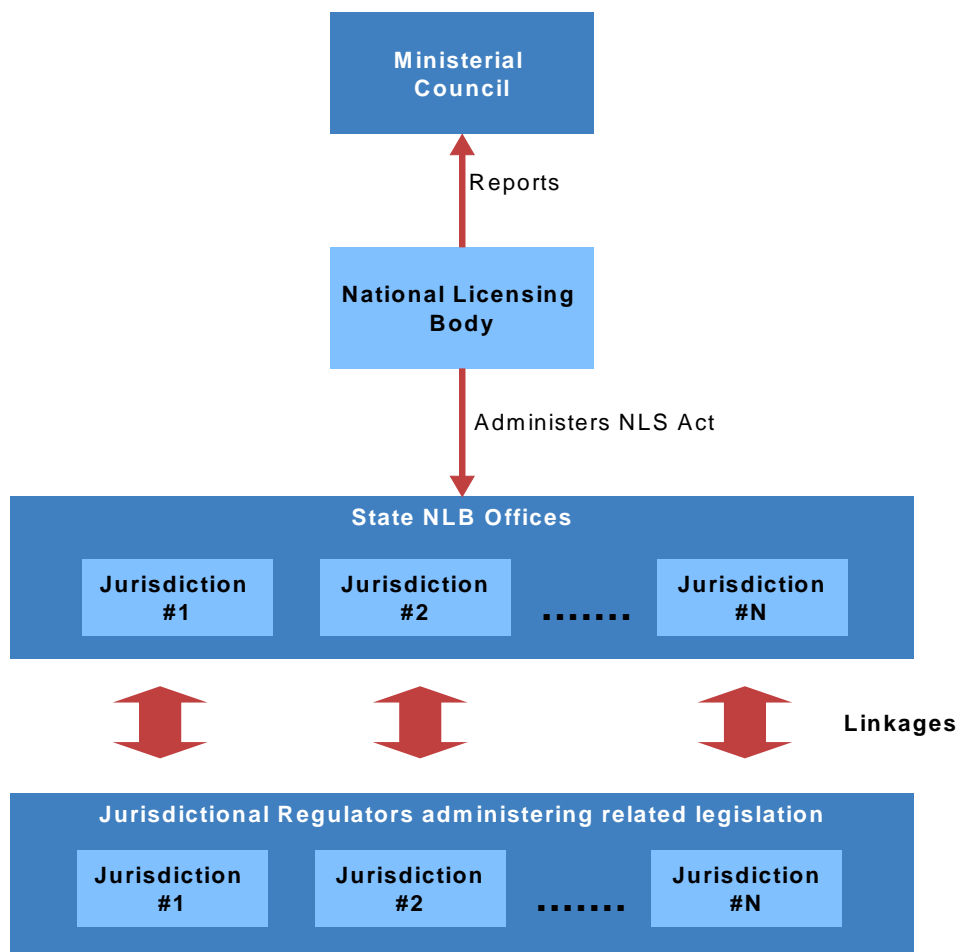


Figure 1: National Single Agency Model

Option 2 – National Delegated Agency model

Under this option (see Figure 2) the national licensing body would be responsible for developing (for Ministerial Council approval) national licence policy for each occupational area and overseeing its consistent application by jurisdictional regulators. Specifically, the national licensing body would have administrative responsibility for the National Licensing System legislation, but would delegate the operation of licensing services to existing jurisdictional regulators. Accordingly, States and Territories could use existing staff and infrastructure for these licensing functions. Service agreements would be used to establish performance and consistent service delivery standards for national licensing arrangements across jurisdictions.

It should be noted that, in early 2008, several options for implementing the National Licensing System were under consideration but were discarded as not meeting the objectives of a possible national licensing scheme. An outline of the process of assessment is provided in Attachment B.

Sections 7 and 8 of this paper provide more information on the key features and characteristics of the proposed system, including where policy and operational functions may sit.

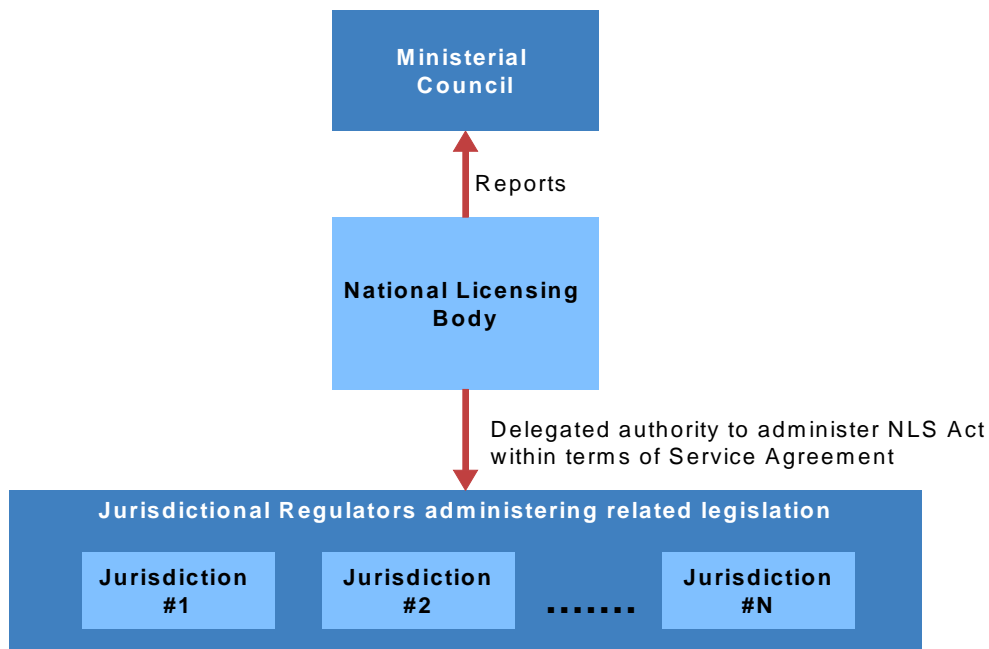


Figure 2: National Delegated Agency Model

6 Impact analysis

The groups that will be affected by either option include:

- business owners within the occupational areas specified;
- consumers of services provided by the relevant licensees;
- licensees (business and individuals);
- registered training organisations/higher education providers; and
- government regulatory bodies.

There are a number of generic benefits common to both implementation models that arise from COAG’s decision to pursue the national licensing system. These include:

- the reduction in regulatory burden for business owners and licensees operating across jurisdiction borders who would only have to comply with streamlined eligibility criteria;
- benefits could be expected to be achieved through a degree of rationalisation and streamlining of licence and associated administrative and operational requirements that would deliver cost savings to government, licensees and consumers;
- improved labour mobility between jurisdictions;
- more effective regulation;
- benefits accruing to licensees and consumers from aligning the training and regulatory systems to ensure skills standards are consistent across jurisdictions, This could be expected to lead to greater employer and consumer confidence that licensees, no

matter which jurisdiction they are from, have had to meet the same skill standards to achieve their licence;

- more consistent training requirements could be expected to lead to longer-term savings in the training system due to the level of resources currently needed to develop and maintain courses for the differing eligibility requirements;
- the use of a single piece of national cooperative legislation would provide a strong foundation for sustaining a unified system.

Both implementation options would require significant investment at the transition and implementation phases as there will be costs involved in:

- developing and amending legislation;
- establishing and funding the new National Licensing Body;
- deeming existing licensees across to the new system;
- agreeing national licence policy for each occupational areas covered by the national system;
- aligning training requirements where necessary; and
- developing a national register of licensees.

The National Single Agency model would require greater investment at the establishment stage due to the need to establish a separate physical presence for the national body and its agency branches. Substantial ongoing savings in operational costs could be expected, however, once standards and major policy processes had been agreed and established.

Under the National Delegated Agency model, transition impacts and costs would be minimised and initial implementation costs reduced due to the use of existing infrastructure and staff. National consistency could be achieved through the use of appropriate delegation of administrative responsibilities to existing jurisdictional regulators, together with clear service agreements between the national body and those regulators.

The National Delegated Agency model still requires significant legislative and administrative change however the use of existing sites and staff would minimise the external appearance of change. It is possible that reform gains could be affected by the reduced influence of the national body, the maintenance of existing administrative procedures and by the cultural affiliations natural to those continuing to operate within separate agencies.

In recommending further regulatory reform (including to occupational licensing) both the Productivity Commission in its April 2008 *Review of Australia's Consumer Policy Framework* and the Business Council of Australia in its March 2008 report *Towards a Seamless Economy* acknowledge that the overall costs of duplicated and inconsistent regulation is notoriously difficult to quantify, as are attempts to quantify the regulatory burden in general. Calls for greater national consistency in licensing have been made over time by industry and consumer bodies. COAG's recent mutual recognition work has documented the extent of occupational licensing inconsistency between jurisdictions and indicates there is a strong qualitative case for the introduction of a national licensing system.

While it is difficult at this stage of the development of the national licensing system to quantify costs, overall the costs of putting in place a national scheme, regardless of the model used, are expected to be outweighed by its aggregate benefits to business, governments and consumers. The new scheme is anticipated to increase the mobility of licensed labour, reduce red tape and enhance efficiency. This will arise from the use of best practice principles of licensing coupled with more uniform standards and increased transparency of information available to regulators, business and consumers on the status and training of licensees.

More detailed work will be undertaken to understand the financial aspects of the current system and develop models for funding under a national system, including the costs of establishing and maintaining the national licensing governance structure and operations.

6.1 Table of costs and benefits of National Single Agency and National Delegated Agency models

The following tables provide an outline of the costs and benefits related to implementing the proposed models. It is acknowledged that it is possible that a combination of these models could be adopted and that different occupational areas may have different outcomes.

EITHER MODEL

Feature	Costs	Benefits
Single national legislation	Costs of introducing legislation and amending current legislation to ensure linkages to new system	Strong foundation for sustaining a unified system as it reduces the likelihood of jurisdictional divergence over time and promotes a basis for further convergence of regulatory approach, where this is desired by all parties.
Single national body responsible for setting policy, standards and framework for operations	<p>Costs of establishing and running the national body</p> <p>Transition and implementation costs, in terms of office changes and structures and developing and agreeing the policy and standards for each occupational area.</p> <p>Education costs for regulators, industry and consumers</p> <p>Short-term costs of aligning training</p>	<p>Consistent national standards, policy and operations will:</p> <ul style="list-style-type: none"> - reduce the regulatory burden for businesses operating in more than one jurisdiction; - improve skills mobility and reduce red tape for licensees; - provide more transparent information for consumers on skills held by licensee; - reduce training costs for State governments/RTOs due to decreases in development and

	<p>requirements, particularly for those occupational areas not fully implementing competency-based training.</p>	<p>funding costs for different courses in each State;</p> <ul style="list-style-type: none"> - provide greater alignment between regulatory requirements and the national training system. - provide a single interface to the national training system and a unified voice for regulators to have input into the development of skill standards; - provide a single point for business and consumer views on licensing; - facilitate regulator cooperation on key policy issues; - provide reduced policy and administrative costs due to need to provide for one system instead of eight; - provide long term cost efficiencies once established due to rationalisation and streamlining of policy development.
<p>Single occupational licence arrangements</p>	<p>Potential transition costs involved in migrating licensees to a single system.</p>	<p>Single licence will allow licensee to work in any State or Territory without paying a separate licence fee and meeting additional criteria in each jurisdiction.</p> <p>Improved skills mobility and reduced red tape for licensees</p> <p>Reduced administrative costs to regulators and licensees of maintaining separate licences</p>
<p>National register of licensees</p>	<p>Development and maintenance of large national register.</p> <p>Transition costs associated with replacing systems or</p>	<p>Business and Consumers – improved transparency of information and confidence in licence process</p> <p>Regulators – immediate access</p>

	<p>providing links to new system in each State and Territory.</p> <p>Transition costs associated with training of register users/administrators.</p>	to current information on status of licence and disciplinary record
Existing licensees deemed to hold licences in the new system	Costs of transfer of existing licensees to National Licensing System.	Continuity for existing licence holders
Changes to licence fees and licence requirements for new licence applicants.	It is anticipated that new licence applicants will have to pay the fees for a national licence and satisfy criteria to be granted a national licence irrespective of whether they wish to operate exclusively within one jurisdiction, or across many jurisdictions. Licence fees and criteria may entail higher or lower costs than the current arrangements depending on the jurisdiction and occupation [subject to determination of licence scope, criteria and fee structures].	

NATIONAL SINGLE AGENCY MODEL

Feature	Costs	Benefits
Establishment of branch offices of the NLB in each State and Territory	<p>Significant costs of establishing and marketing outposted offices of National Licensing Body.</p> <p>The costs of establishing and maintaining links between the new offices and the functions and operations maintained under the existing jurisdictional structures.</p> <p>Potential costs associated with the loss of current regulator expertise and knowledge poses risk to consumer protection in transition phase.</p> <p>Possible industrial relations implications for</p>	<p>The establishment of new offices provides the opportunity for a clear focus on and energy for the new system.</p> <p>Reduced compliance costs due to greater consistency in the application of standards and policy.</p> <p>Substantial ongoing savings from centralised policy functions and a reduction in administrative and operational costs could be expected once major policy processes had been agreed and established.</p> <p>A single national body would have a greater ability to ensure the consistency of information being provided to consumers and</p>

	<p>regulatory staff during transition to the National Licensing System.</p> <p>Loss of economies of scale of one regulator enforcing both licensing and conduct requirements and administering licensees within the system and those outside it.</p>	to business.
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NATIONAL DELEGATED AGENCY MODEL

Feature	Costs	Benefits
<p>Existing State and Territory regulators for the occupational areas administer the National Licensing System under delegation from the National Licensing Body, with accompanying Service Agreements or similar arrangement with the national body</p>	<p>Transition costs will be lower in comparison with the National Single Agency model as no physical establishment of the National Licensing Body is required in each State and Territory.</p> <p>There will be fewer opportunities for rationalising and streamlining existing administrative arrangements and any existing organisational efficiencies may be perpetuated.</p> <p>Transition and implementation could be more difficult as additional effort would be required to ensure consistent licence service delivery in the separate State/Territory agencies.</p> <p>National consistency of policy and operations could take longer to</p>	<p>Minimises the impact on jurisdictional regulatory systems which integrate licensing and other regulatory functions.</p> <p>Retains economies of scale and information flow achieved by:</p> <ul style="list-style-type: none"> - same regulator enforcing both licensing requirements and conduct requirements; - same regulator administering licensees inside and outside national licensing system. <p>Reduces the external impact of the changes on industry and consumers while delivering reduced regulatory burden.</p> <p>There may be fewer transition and implementation risks around the managing of linkages between licensing of occupational areas and related jurisdictional regulatory regimes.</p> <p>Maximises the use of existing jurisdictional regulator expertise and knowledge.</p>

	<p>achieve due to the need to change the established practices of existing regulatory agencies, some of which will have competing policy priorities.</p> <p>Increased focus on local priorities may lead to national inconsistencies.</p>	<p>Better ability to respond to local priorities.</p> <p>May lead to fewer industrial relations issues due to retention of existing regulatory structures.</p>
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Question 1: Which is the most appropriate model for the implementation of the National Licensing System: the National Single Agency model or the National Delegated Agency model? Why?

Question 2: Have the costs and benefits of each model been adequately described and are there any other costs and benefits which should be included?

7 Key Features of the National Licensing System

This section outlines the proposed objectives, principles and structure of the National Licence System. It considers the level of industry and consumer input needed to support the system and outlines the requirements for a national register of licensees. These matters will form the basis for the content of the IGA that COAG will consider by December 2008.

7.1 Objectives and Principles of the National Licensing System

Objectives of the National Licensing System

A number of proposed objectives for the National Licensing System were discussed during previous stakeholder consultations in July. Key themes emerging from discussion in relation to the objectives included:

- support for a best practice approach to the processes for determining licence policy, but concern that these processes need to avoid an approach which results in either the lowest or highest common denominator driving the licence policy outcomes;
- the need to balance desires for national consistency without increasing the regulatory burden to individual jurisdictions; and
- the objectives should include improving consumer protection and employee/public safety by ensuring all licensees have appropriate skills.

The proposed objectives of the national system are to:

1. ensure that licences issued by the National Licensing Body allow licensees to operate in all Australian jurisdictions;

2. ensure that licensing arrangements are the minimum required for consumer protection, while ensuring economic efficiency and equity of access;
3. support public health and safety by ensuring appropriate skill and knowledge levels for licensed occupations;
4. facilitate a consistent skill base for licensed occupations by:
 - aligning skill related licence eligibility with industry standards established by the national vocational education system; and
 - where an agreed Training Package national pathway does not exist, establishing national certification arrangements for courses that meet the licensing policy requirements for the National Licensing System;
5. ensure effective coordination exists between the National Licensing Body and relevant jurisdictional regulators;
6. to promote national consistency in:
 - licensing structures across comparable occupational areas;
 - regulation affecting the conduct of licensees;
 - the approaches to disciplinary action affecting licensees;
7. provide flexibility to deal with unique circumstances that exist in particular jurisdictions or industries;
8. provide public access to information about licensees.

The National Licensing System will continue to facilitate labour mobility under the Trans Tasman Mutual Recognition Agreement. It will not play any role in regulating employment conditions, rates of pay or other employment matters with regard to the occupational areas covered by the system.

Initially, the National Licensing System would apply to the selected occupational areas but would have the capacity to extend to other licensed occupations over time, as approved by the Ministerial Council.

Question 3: Are the objectives of the National Licensing System the correct objectives for the development of the System?

National Licensing Reform Principles

Any licensing arrangements made under the National Licensing System will need to comply with COAG's *Principles of Best Practice Regulation*. To provide further guidance to these broad COAG Principles, a set of reform principles specific to national licensing is proposed for the licence policy development process. These proposed operational principles under the National Licensing System are to ensure that:

1. the system operates in a transparent, accountable, efficient, effective and fair manner;

2. regulatory intervention in the form of licensing is only contemplated where risks arising from market failure or risks to public health and safety warrant corrective action and, of all feasible options, licensing provides the greatest net public benefit;
3. licensing arrangements do not duplicate legislative protections contained under other laws in particular competition law, consumer protection law or occupational health and safety law;
4. licensing arrangements only include the minimum requirements needed to address identified consumer protection risks arising from market failure or public health and safety risks without imposing unnecessary costs on consumers and business or substantially lessening competition;
5. licensing eligibility requirements are expressed in objective not subjective terms;
6. the system will not require the extension of licensing to sub-groups of a broad occupational group that are not currently licensed in particular jurisdictions;
7. licensing arrangements are subject to an initial review five years after commencement and subsequently at a frequency no less than every ten years.

The principles relating to financial operation and licence fee setting are still being negotiated by jurisdictions and will be influenced by the broad approach to financial arrangements concerning all of the 27 regulatory reform areas that COAG is currently pursuing. It is anticipated that the principles will focus on the need for the National Licensing System to be self funding and for licence fees to be determined to reflect the reasonable costs involved in licensing the occupational areas.

Question 4: Will the national licensing reform principles, together with the COAG Principles of Best Practice Regulation, provide a sufficient basis for reducing the regulatory burden while maintaining adequate protections?

Question 5: Do the proposed National Licensing Reform Principles reflect best practice regulation?

7.2 Legislation to establish National Licensing System

Establishing the National Licensing System will require the development of cooperative national legislation. This legislation will set out the structure and functions of the National Licensing System.

A host jurisdiction will take the lead in enacting the proposed national licensing system act to establish the system. All other jurisdictions will enact this legislation in order to achieve a national system.

The legislative approach would include jurisdictions agreeing to:

- repeal, amend or modify legislation which is inconsistent with the National Licensing System legislation; and
- not to submit legislation to their Parliaments that would be inconsistent with, or alter the effect of the National Licensing System legislation.

The host jurisdiction for the National Licensing System legislation is still to be determined.

This is a common approach to establishing cooperative national legislation. For example, it is the approach being used to establish COAG's National Registration and Accreditation Scheme for the Health Professions.

Legislation establishing the new system will be reviewed not earlier than five years but within ten years of commencement of the legislation in accordance with the Commonwealth Office of Best Practice Regulation (OBPR) guidelines.

In establishing this cooperative legislation, current jurisdictional legislation will need to be reviewed to ensure that a range of licensing functions have appropriate linkages to the National Licensing System legislation.

At a high level, the anticipated relationship between the minimum functions that need to be contained in the National Licensing System legislation and those that should remain in jurisdictional legislation is indicated in the following diagram (Figure 3).

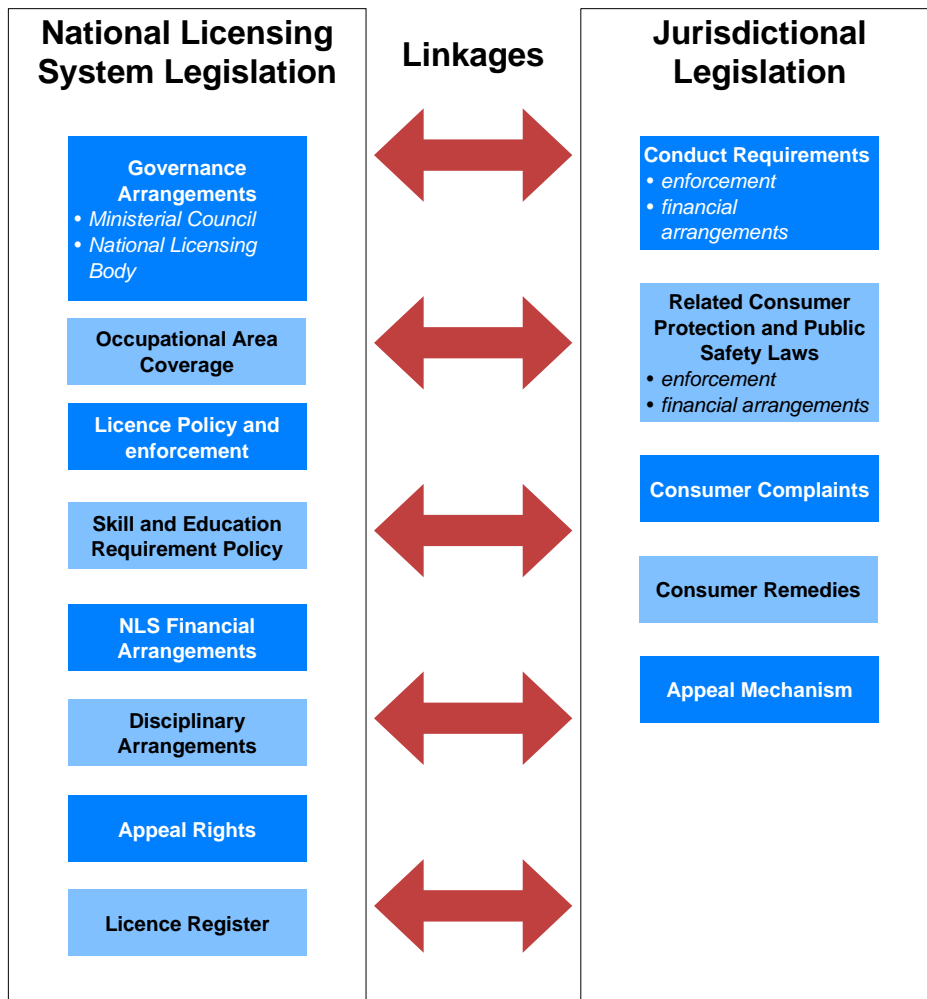


Figure 3: Minimum functions - Relationship between NLS and jurisdictions

7.3 Governance structure

It is proposed that the National Licensing System will involve the establishment of a:

- New Ministerial Council for National Licensing, subject to consideration of existing Ministerial fora; and
- National Licensing Body.

New Ministerial Council for National Licensing

A Ministerial Council will oversight the implementation and operation of the national licensing system. The Council will comprise Ministers nominated by each State and Territory.

The IGA, together with the proposed national licensing system act, will provide for the governance arrangements for the Ministerial Council, and will ensure, as noted above, that each jurisdiction is represented.

The prime role of the Ministerial Council will be to provide strategic policy direction to the National Licensing Body.

Importantly, the Ministerial Council will not have the power to intervene in the day to day operations of the National Licensing Body or in decisions relating to licence eligibility or disciplinary decisions. This will ensure that there is a clear separation of policy and operational functions between the Ministerial Council and the National Licensing Body.

As no single minister in any jurisdiction has oversight of all the occupational areas covered by the system, jurisdictions nominate an appropriate minister to sit on the proposed new Ministerial Council.

National Licensing Body

The proposed IGA will provide that a national licensing body will be established as a statutory authority overseen by a Board in the legislation establishing the National Licensing System and will advise and report to the Ministerial Council. The National Licensing Body will have a Chief Executive Officer and will be governed by a board of management, the National Licensing Board. It will ensure that the system operates in a manner consistent with the legislation and with the directions of the Ministerial Council.

The National Licensing Body will be responsible for establishing any ongoing or specific purpose committees or working groups that are required to ensure sound policy advice is provided to the Ministerial Council.

The proposed IGA will provide for the composition of the National Licensing Board (“the Board”) and the arrangements and qualifications for the initial appointment and selection of a Chief Executive Officer and members of the Board, including termination of the Chief Executive Officer or Board members. It is proposed that the Board will consist of:

- an independent chair;
- four members representing the Ministerial Council;
- at least four members who are current or former industry participants with business and administrative expertise; and
- at least one member with consumer expertise.

The business of the National Licensing Board is to be conducted in the manner provided for in the proposed national licensing system act. Subsequent recruitment, appointments, tenure and conditions, including appropriate statutory immunities, for the National Licensing Board members and the Chief Executive Officer will also be provided for in the proposed national licensing system act.

It is not proposed that all jurisdictions or all occupational groups be represented on the Board at any one time, as the primary role of the National Licensing Board will be to administer the National Licensing System. Jurisdictions and industry will have other avenues to influence policy and ultimately decisions will be made by the Ministerial Council

Question 6: Do you have any views on how the National Licensing Body should be

established and how it should operate?

Question 7: Is the proposal for the composition of the Board the most appropriate for ensuring accountability to Ministers as well as the involvement of business and consumer interests?

7.4 Licence register

COAG has directed that a publicly available national register of licensees be established for the new system therefore, under either model, the register will be managed by the National Licensing Body. The register requirements will be detailed in the proposed national licensing system act. The Act will provide protocols for the recording of information which will be available to the public and for the transfer of information between jurisdictions. The new register will form part of the implementation phase for the new system.

While the policy for what information would be disclosed on the register has not been developed at this stage, it is anticipated that the minimum information will include the name/business holding the licence, whether the licence is current, cancelled or suspended, and the licence category. The register would comply with privacy legislation.

Question 8: What are your concerns and expectations in relation to having a publicly available national register?

7.5 Industry and consumer input

The National Licensing Body will require significant industry and consumer input in a range of areas, including:

- the development of licence policy, which will determine the structure (licences and their categories/classes), scope and eligibility (including qualifications) requirements for the granting of licences;
- the certification of vocational education and training (VET) accredited courses and higher education courses as meeting the licensing policy requirements for the National Licensing System ;
- advice on industry or consumer issues or developments which may impact upon licence policy;
- potential involvement in National Licensing System disciplinary processes where they an element of peer review of conduct behaviour is required; and
- transitional arrangements.

The National Licensing Body would be responsible for establishing any ongoing or specific purpose committees or working groups that are required to ensure sound advice from industry and consumers is provided to the Ministerial Council.

Specifically, it is expected that the National Licensing Body will bring together industry and consumer experts, as required, to assist in standards setting for specific occupations. These groups may involve jurisdictional regulators, employer and/or union representatives, consumer representatives and training representatives, as appropriate.

The consultative mechanisms required will be determined by the National Licensing Body with reference to existing industry, regulator and consumer consultation networks and practices, which are likely to vary between occupational areas.

Question 9: How do you see yourself providing input into the national licensing process?

8 Characteristics of the National Licensing System

COAG's decision of 3 July 2008 required that the governance arrangements for the new national system include, as a minimum:

- the ability to handle standard setting and policy issues; and
- consistent administration and compliance practices.

Significant research has been conducted on:

- the location of policy functions;
- the location of operational functions;
- which licences categories should be included; and
- how additional occupational areas would be admitted to the system over time.

A brief discussion on these aspects of the system follows.

8.1 Location of policy functions

COAG has decided that the National Licensing System will include standard setting and policy issues. An analysis of jurisdictional licensing systems has indicated that the minimum policy functions that need to be covered by the National Licensing System include:

- the occupational area coverage;
- licence policy and enforcement;
- skill and education requirement policy;
- financial arrangements;
- disciplinary arrangements; and
- appeal rights.

Occupational Area coverage

COAG has already specified the seven occupational areas to be included initially in the new licensing system and indicated that additional occupational areas may be included over time.

The types of licence to be included in the national system might vary from occupation to occupation. Three main types apply, being licences issued to individuals to practice an occupation as an employee, those issued to individuals to conduct the occupation as a business and pure business licences that are issued to entities and not to individuals.

In many jurisdictions and occupations, the first two types have significant overlaps as many individuals trade as sole operators and work directly with consumers. It would therefore not be practical to include individual licences in a national scheme without also including related contractor and business licences. Pure business licences are part of the overall regulatory system in each jurisdiction and are usually administered by the same regulator and under the same legislation as for occupational licences.

As a pragmatic response to this overlap, it is proposed that all occupational and business licences for each of the specified occupational groups will be considered within the scope of the National Licensing System, provided the broad policy underpinnings of the business licences are the same as those of the relevant occupational licences. This will ensure that the benefits of the National Licensing System extend to both businesses and occupation, meeting the dual COAG objectives of removing barriers to workforce mobility and reducing the regulatory burden for business.

It is envisaged that existing jurisdictional legislation covering the relevant occupational areas will assign to the National Licensing System the capacity to define national licence policy for a defined area of licensed work. This area of work will reflect the collective scope of those current jurisdictional licences identified as being within the scope of the National Licensing System.

Some occupational sub-groups within the specified occupations are not licensed in all jurisdictions eg, carpenters. At this stage, all sub-groups will continue to be included within the scope of the National Licensing System.

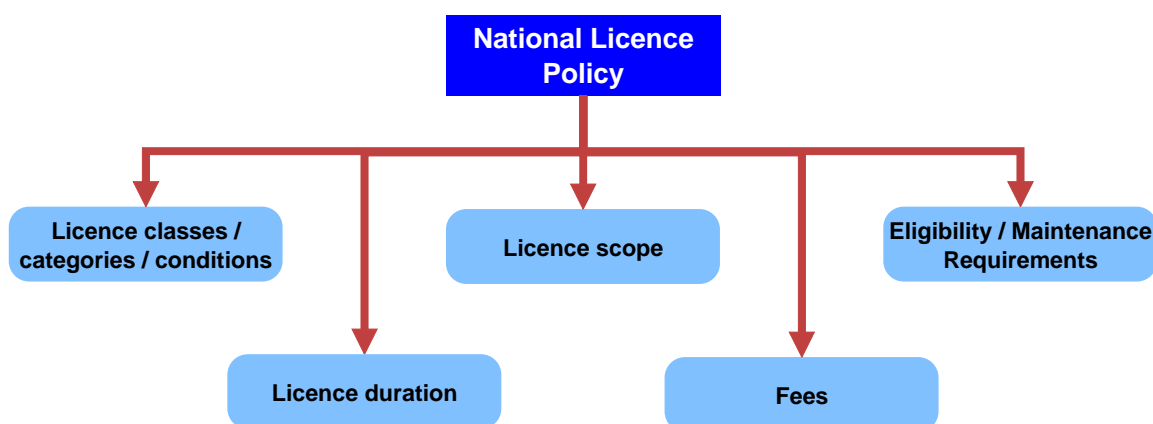
It is important to recognise that the development of national licence policies will require the assessment for each occupational area of what licences are required using COAG's Best Practice Regulation Principles. In some cases this may mean that the national licence policies identify that no licences or a reduced form of licensing is determined appropriate for areas where licences are currently issued.

Question 10: Are there any issues associated with the approach used to determine the occupational area coverage of the National Licensing System?

Licence Policy Development

A significant component of developing the National Licensing System is the need to develop a national licence policy relating to each of the occupational areas covered. Figure 4 shows the expected main components of national licence policies.

Figure 4: Licence Policy Development



- “Licence classes/categories/conditions” means the type of licence or a category of licence that can be held by a person and whether or not the licence has specified conditions in relation to the work that can be undertaken by a licensee
- “Licence scope” means the activities permitted to be undertaken
- “Eligibility/maintenance requirement” means the types of requirements or conditions that an applicant or a licensee must be able to demonstrate to be granted a licence or to retain a licence
- “Licence Duration” means the period of time for which a licence is valid
- “Fees”:
the determined amount that must be paid to obtain a licence

The relevant national licence policies would provide the basis for the development of regulations that would then be used to implement the policies. Consequential amendments to jurisdictional legislation would be required to effect this replacement of existing jurisdictional licence policies.

The National Licensing System needs a clear, transparent process for developing licence policy. Given the proposed objectives and principles for the System, this process needs to meet the requirements of COAG’s Best Practice Regulation Principles.

The following diagram (Figure 5) outlines the proposed licence policy development process to be followed by the National Licensing System.

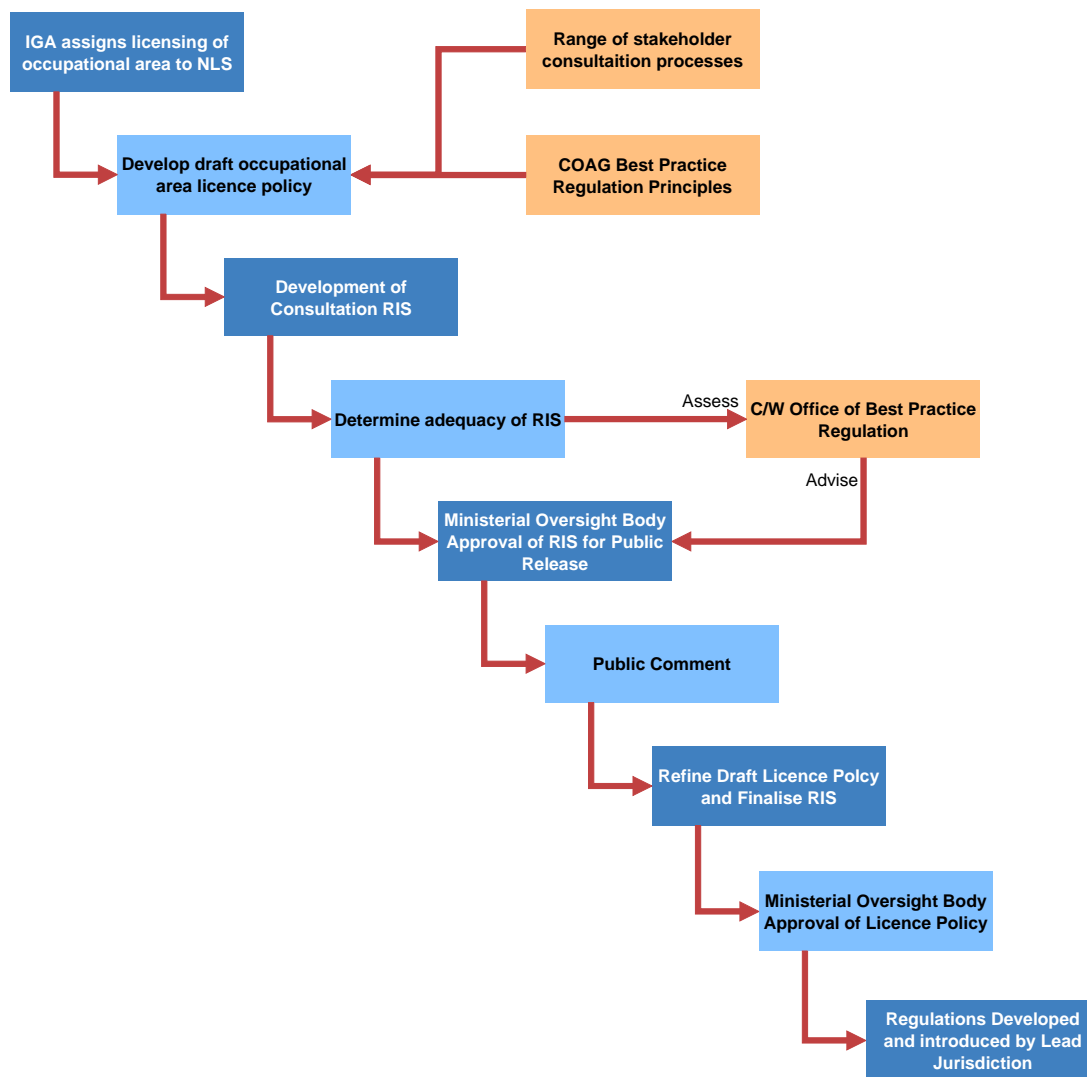


Figure 5:NLS Licence Policy Development Process

The National Licensing Body will be responsible for overseeing the process, considering the outcomes and then making recommendations on licence policy to the Ministerial Council.

During the development of licence policy, the National Licensing Body will seek input from industry and regulator forums and other stakeholders. The form of this consultation would be determined by the National Licensing Body under direction from the Ministerial Council.

The following arrangements will apply to the National Licensing System licence policy development process:

- a. the process will establish single licensing policy for each occupational area assigned to the National Licensing System that determines the licences (and licence category/classes) and their scope and eligibility requirements;
- b. once a jurisdiction has assigned the licensing of an occupational licensing area to the National Licensing System, a jurisdiction binds itself to utilising the national

licensing policy determined by the System for that occupational area, subject to (d) below;

- c. the National Licensing System licence policy will have due regard to unique circumstances that apply in particular jurisdictions or industries and may provide for licence categories (or classes) that are only relevant for certain jurisdictions. Such licence categories (or classes) will then only be applicable to the specified jurisdictions;
- d. if a jurisdiction does not issue a licence for a category (or class) covered by the National Licensing System licence policy (either fully or partially), it has the ability to determine not to require that licence category (or class) within the jurisdiction;
- e. where between five and seven jurisdictions apply a licence category (or class) within a National Licensing System licensing structure, then the National Licensing Body will undertake a specific review of whether there is a need for national consistency for that licence category/class and provide advice on the matter to the Ministerial Council; and
- f. where, in response to its unique circumstances, a jurisdiction wishes to introduce a licence(s) relating to an occupational area assigned to the National Licensing System that is not contained within the relevant licence policy, then
 - i) the jurisdiction will first undertake an assessment of the need for the licence(s) that complies with COAG's Best Practice Regulation Principles (including the development of a consultation RIS Regulatory Impact Statement and the assessment of the adequacy of the RIS by the Commonwealth's Office of Best Practice Regulation) and request the National Licensing Body to review that assessment and provide advice to the jurisdiction through the Ministerial Council on:
 - a) whether the National Licensing Body considers that the introduction of the proposed licence(s) is justified under the COAG Best Practice Regulation Principles;
 - b) whether a change to the National Licensing System Licence Policy is warranted to accommodate the proposal; and
 - c) if a change to the National Licensing System Licence Policy is not justified, the implications of the proposal for the National Licensing System.
 - ii) as a result of the advice provided through (f)(i):
 - a) the Ministerial Council can agree to amend the relevant National Licensing System Licence Policy; or
 - b) if the Ministerial Council does not agree to amend the relevant National Licensing System Licence Policy, the jurisdiction can then make a decision

on whether it wishes to proceed with its proposal. Any licences introduced by a jurisdiction as a result of this process will not be nationally recognised under the National Licensing System.

Question 11: Will the licence policy development process reduce the regulatory burden of licensing in the occupational areas covered?

Skill and Education Requirement Policy

Consistent skills standards must underpin licensing eligibility requirements within a national system. In this respect, Australia already has a national vocational education system that uses nationally agreed vocational Training Packages. It also has a national qualifications framework, the Australian Qualifications Framework.

One of the objectives of the National Licensing System is to facilitate a consistent skills base for licensed occupations by using the existing national vocational education system and aligning skill related licence eligibility with industry standards established by national Training Packages. In this respect, COAG agreed in February 2006 that national Training Packages provide a nationally consistent base for the skills related requirements of most of the licensed occupations covered by the National Licensing System. This is reflected in its February 2006 decision that regulators will recognise the VET qualification or statement of attainment as meeting all of the skill related eligibility requirements for gaining a licence in relevant regulated occupations. Measures that implemented COAG's agreement were introduced as part of the Australian Quality Training Framework 2007 reforms. In addition, revised Training Package development and endorsement processes (implemented from January 2008) which in part have been driven by the COAG decisions, require evidence of systemic linkages to licensing and regulatory requirements prior to Training Package endorsement.

However, the National Licensing System also needs to be able to cater for instances where an agreed national Training Package pathway does not exist or where the skills required by licensing eligibility requirements can be satisfied by both national vocational education system and higher education system outcomes. Accordingly, for these instances it is proposed that arrangements be established within the National Licensing System for certifying that courses meet the licensing policy requirements for the National Licensing System. The certification process will ensure consistency of skill and educational outcomes achieved by licence holders.

To guide the determination under the National Licensing System licence policy process of the skill related eligibility requirements for national licences, the following principles are proposed.

1. Where Training Package qualifications/skill sets exist which cover the scope of regulated activity they should be used:
 - a. as the basis for the skill related licence eligibility requirements; and
 - b. as the benchmark for the skill standards to be achieved by other learning pathways.
2. Where Training Package qualifications/skill sets do not exist:

- a. the National Licensing System will determine a required skill standard to be reviewed every 5 years; and
 - b. appropriate State and Territory accredited VET courses, or higher education courses will be identified or developed which meet the required skill standard.
3. Appropriate State and Territory accredited VET courses and higher education courses will be certified for an interim time pending revision of the appropriate Training Package to incorporate licence requirements where this is possible.
 4. All courses certified by the National Licensing System will be subject to a review every 3 years to ensure currency and rigour.

The application of these principles through the licence policy development process will ensure that:

1. the National Licensing System, while aligning its skill requirements to the national training system is flexible enough to accommodate a minimum range of pathways to achieving skill related requirements; and
2. stakeholders can have confidence that not only have the skill standards been nationally agreed, but also the pathways that provide an alternative to national Training Packages to reaching the standards have been certified as achieving the skill outcomes required for licensing.

Question 12:

What other issues need to be taken into account in developing the skill and education requirements for licences under the National Licensing System?

Question 13:

Are the review periods proposed for the required skill standards and the certified courses appropriate?

National Licensing System Financial Arrangements

The National Licensing System financial arrangements will be provided for under the proposed national licensing system act and will include fee-setting and the funding of the new system. As discussed in section 7.1, the objectives of the arrangements will be that the system is self-supporting over time.

Disciplinary Arrangements and Appeal Rights

The processes for taking disciplinary action can vary both between jurisdictions and within jurisdictions for different occupational areas. The agency or authority responsible can be the regulator or a tribunal or court. Sanctions imposed often vary widely.

Against this background, it is proposed that the determination of the disciplinary arrangements for inclusion in the national licensing system legislation will occur after the IGA is agreed and will involve identifying elements of best practice from existing jurisdictional licensing schemes. Similarly, the types of sanctions to be included in the IGA will be determined during the discussions taking place prior to implementation of the national system.

It is a fundamental premise of a regulatory system that a licensee should retain the right to seek a further assessment of any decision which may ultimately impact on their ability to conduct their livelihood. Accordingly, the National Licensing System will provide broad policy frameworks regarding appeals rights for licensees.

Question 14: How do you see the disciplinary system working most appropriately?

Question 15: What other functions should be included in a National Licensing System?

Policy functions remaining with jurisdictions

Jurisdictional legislation would continue to cover:

- conduct requirements;
- related consumer protection and public safety laws;
- consumer complaints;
- consumer remedies; and
- appeals mechanisms.

This division of policy functions would be similar regardless of whether the model selected was national single agency or national delegated agency. The reasons for excluding these functions from the National Licensing System is as follows:

Conduct requirements – These are the rules/regulations/laws in each jurisdiction that govern how work in regulated occupations is to be performed. They vary according to the industry and the type of consumer and/or health and safety protection required. The National Licensing System does not seek to standardise policy arrangements or to administer them however, where jurisdictions agree to pursue harmonisation of these elements for a specific occupation, the National Licensing System will include provisions to allow for the inclusion of conduct requirements where jurisdictions agree to this.

Licensees will need to comply with the conduct requirements that apply in the jurisdiction in which they operate. As part of the implementation of the National Licensing System, jurisdictions may need to amend legislation to ensure the connectivity of conduct requirements with licensing, compliance and disciplinary requirements that form part of the National Licensing System.

Insurance requirements that relate to licensed work eg, home warranty insurance, will remain the responsibility of the States and Territories unless there is a specific decision by jurisdictions to refer them to the National Licensing System.

Related consumer protection and public safety laws – The National Licensing System legislation will ensure existing consumer protection and public safety laws in each jurisdiction will not be affected under the system.

Consumer complaints – Jurisdictions have varying processes for dealing with consumer complaints, not all of which are covered in legislation. A consumer may lodge a complaint with a regulatory body or with a consumer protection agency in the first instance. The complaint may lead to an alternate dispute resolution service and/or initiate inspection of the relevant work and/or an investigation into work practices and conduct. Complaints

processes are often linked to wider consumer protection/fair trading laws under State legislation. Jurisdictions may need to amend legislation to ensure continuing links with disciplinary processes. However the complaints process used by each jurisdiction does not require uniformity; therefore, this function will remain under State or Territory legislation.

Consumer remedies – Consumer remedies vary between jurisdictions in terms of both structures and processes. These variations also apply to the type of body able to determine the specific remedy available to the consumer. In many jurisdictions, the structures and remedies are intrinsically tied to the operation of wider consumer protection/fair trading laws, which are predominantly State-based. The processes used are matters that do not require uniformity and would not affect a National Licensing System nor is it the intention of the National Licensing System to take over these areas of responsibility.

Appeals Mechanisms –The framework for when a licensee can appeal a disciplinary action will be provided for in the proposed national licensing system act. Mechanisms for appeal will continue to be handled by individual jurisdictions.

Question 16: Are there any issues to be resolved as a result of the separation of functions from existing jurisdictional legislation? How might these be resolved?

8.2 Location of operational functions

The standard operational functions carried out by occupational licensing regulators include, in general:

- licence issue and renewal;
- conduct requirements;
- compliance, enforcement and investigation;
- disciplinary arrangements and their review;
- appeal mechanisms;
- licence register;
- consumer remedy processes;
- consumer complaints handling; and
- education and information dissemination.

The location of the operational functions will depend on whether the model adopted is National Single Agency or National Delegated Agency. The following diagrams (Figure 6 and Figure 7) illustrate the likely location of operational functions against each of these models.

Figure 6: National Single Agency Model

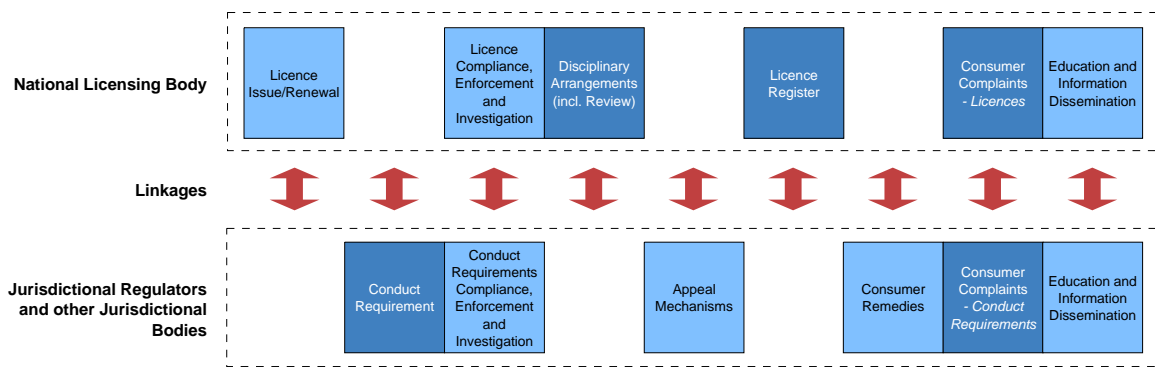
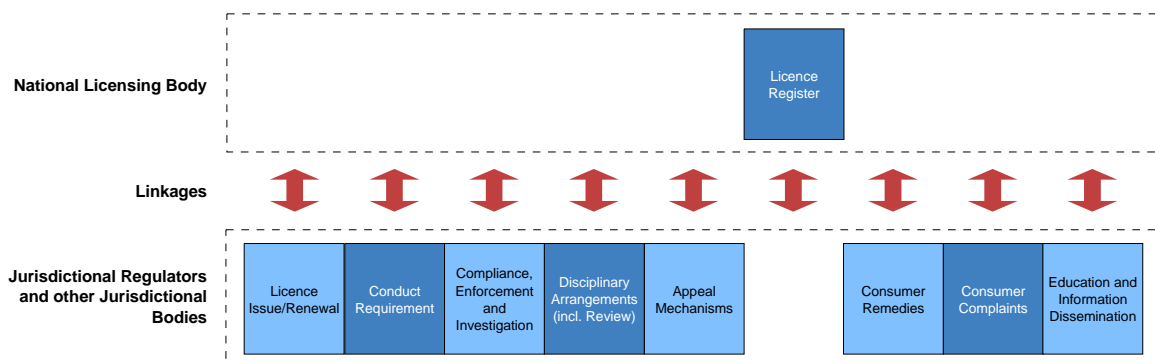


Figure 7: National Delegated Agency Model



Licence issue/renewal

Under either national single agency or national delegated agency models, the National Licensing Body would set the licence eligibility criteria. Operationally, the State office of the National Licensing Body would issue and renew licences under a national single agency model or, under the national delegated agency model, this role would be carried out by existing State and Territory offices, complying with eligibility requirements set by the National Licensing Body. The National Licensing Body will need to determine the arrangements for the issuing of the licence and whether renewals are appropriate so a consistent approach can be adopted within occupational areas.

Question 17: Are there any other occupational licensing functions you think need to be included?

Conduct Requirements

Conduct requirements relate to the requirement imposed upon regulated individuals and businesses to adhere to certain types of behaviour following the granting of a licence to operate. Occupational licensing regimes identified for the National Licensing System require a range of different specific types of conduct behaviour, including contractual requirements, industry standards, statutory warranties and rules of conduct, amongst others. Some of these relate to wider consumer protection laws and there may be linkages between them which will

need to be maintained. Under both models, the operational elements of conduct requirement would be carried out by existing jurisdictional regulators. This will ensure that the existing corporate knowledge within jurisdictions is retained and used to maximise the objectives of the National Licensing System. Conduct requirements for specific occupational areas may be included in the National Licensing System where this is agreed by jurisdictions.

Question 18: Is it appropriate for jurisdictional regulators to continue to have responsibility for policy and operational aspects of conduct regulation of licensees?

Compliance, Enforcement and Investigation

Under both models, the operational elements of compliance, enforcement and investigation would be carried out by existing jurisdictional regulators. The National Licensing System legislation will provide the framework for when the National Licensing System disciplinary action against a licensee would crystallise. Stakeholders will be consulted on compliance, enforcement and investigation aspects of the National Licensing System during the development of the implementation strategy for each occupational area.

Disciplinary Arrangements

It will be important that a national system provides an equitable and consistent response to licence breaches and other misconduct. While the policy needs to be set nationally, the operation of that policy, such as the imposition of demerit points, enforceable undertakings, fines, the imposition of conditions on a person's practice or cancellation or suspension of a licensee might be able to be carried out by an office of the National Licensing Body or by existing jurisdictional offices operating under a service agreement. If the latter, the National Licensing Body may require a stronger capacity to monitor the consistent application of policy.

Question 19: How should disciplinary arrangements work under the National Licensing System?

Appeal Mechanisms

Under both models, it is proposed that licensee appeal arrangements will be carried out by existing jurisdictional bodies.

Question 20: Do you have any views on how appeal arrangements should operate under the National Licensing System?

Consumer Remedies and Consumer Complaints

The operational aspects for consumer remedies processes will be retained under current State and Territory legislation regardless of the model chosen for the National Licensing System. The proposed national licensing system act will provide for any necessary linkages from the National Licensing System to the relevant jurisdiction's legislation to ensure that any appropriate redress or legal proceedings can be undertaken by a consumer within the jurisdiction that work is undertaken.

Consumer complaints regarding a licensee under the National Licensing System and the mechanisms for actioning such complaints will also be provided for under the proposed national licensing system act.

Question 21: Do you have any views on consumer complaint handling under the National Licensing System?

Education and Information Dissemination

Regulatory authorities conduct a range of activities associated with advising consumers, businesses and traders of their rights and responsibilities and avenues of redress, if required. Provision of services varies widely in terms of services provided, which can include face to face contact, the internet, publications and telephone advice. Such activities are closely linked to service delivery. Under a State office of the National Licensing Body (national single agency model), there is greater provision for consistency of the information provided. If this role is carried out by existing jurisdiction offices under a service agreement, the National Licensing Body could require a capacity to monitor the information being provided to ensure its consistency.

Question 22: Do you have any views on education and information dissemination under the National Licensing System?

8.3 Scope for inclusion of additional occupational areas

While COAG agreed that the National Licensing System should initially be applied to the seven occupational areas identified, it is envisaged that the system will be capable of expansion.

It is therefore proposed that there be agreed criteria and a process for assessment of new occupational areas for inclusion in the National Licensing System.

The criteria proposed are:

1. at least one critical occupation within the occupational area must be licensed across all jurisdictions; and
2. the occupational area should be important to the economy in terms of:
 - the level of skill demand;
 - the intrinsic mobility of the occupation;
 - how widespread are problems with the mutual recognition of licences within the occupational area; and
 - the number of licensees concerned; and
3. a sufficient level of support by industry and consumer stakeholders for the proposal.

The proposed assessment process is as follows.

1. Any jurisdiction which licences the occupational area can nominate to have it included in the National Licensing System. This does not preclude industry or consumer stakeholders from advocating their positions to jurisdictions.
2. The National Licensing Body assesses whether the occupational area meets the assessment criteria and provides advice of the outcomes of the assessment to the Ministerial Council.
3. As a result of the advice the Ministerial Council decides whether or not the occupational area should be included in the National Licensing System – this decision will require consensus of all jurisdictions.

Any new occupations accepted for entry into the National Licensing System will be subject to both the COAG Principles of Best Practice Regulation and the national licence policy development process set out in this section.

Question 23: Are the criteria for assessment of additional occupational areas adequate and is the process appropriate?

9 Purpose of the IGA

The purpose of the IGA is to establish the framework for the operation of the new licensing system. The framework includes what will be in legislation, how governance arrangements will work and the functions that are within the scope of the legislation. The IGA sets out high level principles and objectives for the new system.

The IGA will provide for transitional arrangements for those affected but will not stipulate the detail of the transition arrangements. It will not provide information on how the framework will be implemented for specific occupational areas. The governance structure established by the IGA, which includes the Ministerial Council, the National Licensing Body and the National Licensing Board will have the responsibility for determining transitional and implementation arrangements.

10 Transitional Arrangements

Under either national single agency and national delegated agency models, changes to administrative and operational practices will be required. Preparatory work will be undertaken to identify what is required in this regard. Deeming arrangements will migrate licenses to the new system

It is envisaged that substantial consultation will occur with industry, unions, regulators and consumer groups during the transition period which will consist of two phases.

The first phase will take place prior to the establishment of the governance bodies agreed to by COAG. COAG will consider appropriate transitional arrangements to provide for the continued development of the broad National Licensing System framework until the National Licensing System governance bodies become operational. The second phase of transition commences once the governance bodies are operating, at which point they will take over the high-level oversight of the transition to the new system.

Stakeholder views are sought about the critical issues that should be considered in both the interim transitional period and the establishment period that will be overseen by the governance bodies once they are in place.

Question 24: What transition issues need to be considered?

11 Consultation

Commonwealth and State and Territory officials held two preliminary stakeholder consultation sessions in each state and territory during July 2008 with one session for regulators involved in policy and the other for a broader range of stakeholders, including employer and employee representatives and training organisations. These sessions were to provide preliminary information on the COAG decision of 3 July 2008 and to gain stakeholder feedback on aspects of the system described by COAG. Following these sessions, stakeholders were invited to submit written comments on the proposals.

The main issues raised by stakeholders -

- There was broad support for the introduction of a national trade licensing system and acknowledgement that the mutual recognition scheme had significant limitations that the National Licensing System may overcome.
- The need to balance national consistency with the need to avoid increasing the regulatory burden for individual jurisdictions.
- The need to link national licence requirements with the outcomes of national training packages.
- Support for the inclusion of both business and occupational licences within the scope of the national system.
- Concern over tight timeframes and the lack of time for detailed consultation with industry groups.
- Strong desire by industry groups to be involved in consultative process for the development of the National Licensing System.
- The need to develop related consistency in jurisdictional schemes with links to licensing eg, the operation of real estate funds.
- The need to ensure consistency in compliance and enforcement activities given the wide differences between jurisdictions in structure and activities.
- The need to incorporate a process by which the competencies of licensees are maintained.
- Stakeholder difficulty in understanding that the proposed National Licensing System will not require the enactment of Commonwealth legislation, nor the creation of a Commonwealth agency to establish a cooperative national system. Instead this will be achieved through a State or Territory passing legislation which is adopted by every other jurisdiction.
- Significant requests for detail on the structure and standards that will apply to the different trades under the National Licensing System, despite it being made clear that

this detail would be determined by processes that would take place after the signing of the Intergovernmental Agreement to establish the National Licensing System and will include stakeholder consultations.

- Support for: a best practice approach to be followed by the processes for determining licence policy. In this respect, there was concern that these processes need to avoid an approach for either the lowest or highest common denominator.
- Acknowledgement that the setting of licence fees under the National Licensing System was problematic due to significant difference in jurisdictional fees, regulatory service levels and principles regarding cost recovery.
- The need to resolve licensee privacy considerations in relation to a national register of licensees.

29 submissions were received following the July consultations. Commonwealth and State and Territory officials have continued to develop the proposals to COAG taking this feedback into account. Consultation will also continue throughout implementation.

12 Implementation Strategy

Following COAG's decision on the Intergovernmental Agreement anticipated by December 2008, extensive further research and consultation will be undertaken to inform decision-making on the more detailed arrangements regarding the implementation of national trade licensing for each of the occupations identified. This will include detail of the structure, governance, fees and transition arrangements necessary to achieve a single scheme for that occupation.

Implementation may be phased, given the breadth of licensing covered by the seven nominated occupational areas, to allow for a more orderly transition to the new licensing system. Final decisions on the implementation approach to be taken and the priority accorded to particular occupations in moving to the new system will be matters for consideration by the National Licensing Body, in light of resourcing and stakeholder views.

It is anticipated that the National Licensing Body will seek advice from existing industry advisory bodies in the transition and implementation phases.

The development of the IGA and ensuing work concerning regulatory change will be conducted according to the *COAG Principles of Best Practice Regulation*.

ATTACHMENT A. Fees for selected licences in four major occupational areas

1. BUILDING

Juris.	Licence type	Calculation	Annual actual or pro rata licence fee
NSW	Contractor Licence (I)	\$534 1yr or \$999 3yr new \$357 1yr or \$857 3yr renew	\$534 or \$333 new \$357 or \$286 renew
	Other contractor or specialist work supervisor		\$117 application Nil for renewal
	Trades employee	\$115 for 3yrs application	\$38 1yr new Nil for renewal
VIC	Domestic unlimited		\$680 1yr new \$180 1yr renew
	Commercial	\$680 +\$90 1yr new \$180 + \$30 renew	\$770 1yr new \$210 1yr renew
QLD	Building nominee or site supervisor		\$298.70 1yr new \$149.35 1yr renew
	Builder or trade contractor SC1		\$460.95 1yr new \$199.55 1yr renew
	Builder or trade contractor SC2		\$548.50 1yr new \$249.75 1yr renew
	Builder or trade contractor category 1-3		\$710.70 1yr new \$298.75 1yr renew
	Builder or trade contractor category 4-8		\$1,010.65 1yr new \$449.35 1yr renew
WA	Builders registration	\$254 application fee \$288 annual registration fee \$27 new registration certificate	\$569 1yr new \$288 1yr renew
SA	(most building work)	\$156 application fee \$328 initial fee \$328 annual renewal fee	\$484 1yr new \$328 1 yr renew
TAS	Accredited Building Practitioner	\$153.60 application fee \$307.20 annual fee	\$460.80 1yr new \$307.20 1yr renew
ACT	Construction practitioner - builder	\$189.00 application fee \$1032.00 3yr \$407 1yr	\$596 or \$533 1yr new \$407 or \$344 1yr renew
NT	Builders registration	\$200 application fee \$600 licence fee	\$800 1yr new \$800 1yr renew

2. ELECTRICAL

Juris	Licence type	Calculation	Annual actual or pro rata licence fee
NSW	Qualified supervisor electrical	\$177 for 3yr application	\$59 1yr new Nil for renewal
	Contractor licence electrical wiring work endorsed	\$243 1yr new \$480 3yr new \$179 1yr renew	\$243 or \$160 1yr new \$179 1yr renew

VIC	Electricians licence	\$200 5yr new \$130 5yr renewal	\$40 1yr new \$26 1yr renew
	Electrical contractor		\$240 1yr new/renew
QLD	Electrical work licence		\$58.30 1yr new/renew
	Electrical contractor		\$280.00 1yr new/renew
WA	Electrician	\$37 application fee \$325 5yr registration fee	\$102 1yr new \$65 1 yr renew
	Electrical contractor	\$72 application fee \$382 1yr registration fee	\$454 1yr new \$382 1yr renew
SA	Worker	\$156 application fee \$194 pre-grant fee \$194 annual renewal fee	\$350 1yr new \$194 1yr renew
	Contractor	\$156 application fee \$277 pre-grant fee \$277 annual renewal fee	\$422 1 yr new \$277 1yr renew
TAS	Electrician	\$38.40 application fee \$115.20 licence fee	\$153.60 1yr new \$115.20 1yr renew
	Electrical contractor	\$38.40 application fee \$256.00 licence fee	\$294.40 1yr new \$256.00 1yr renew
ACT	Construction practitioner - electrician	\$23.00 application \$79.00 3yr \$45.00 1yr	\$68 or \$49 1yr new \$45 or \$26 renew
NT	Grade A electrical workers licence	\$50 5yr new/renew	\$10 1yr new/renew
	Electrical contractors licence		\$215 1yr new/renew

3. PROPERTY

Juris	Licence type	Calculation	Annual actual or pro rata licence fee
NSW	Property stock and business agent		\$419 1 yr new 304 1yr renew
	Conveyancer		\$419 1 yr new 304 1yr renew
	Valuer	\$738 for 3 yrs applic \$623 for 3 years renewal	\$246 1 yr new \$208 1yr renew
VIC	Estate agent	\$354.40 applications fee 1yr \$172.60 annual fee with statement	\$354.40 1yr new \$172.60 1yr renew
	Conveyancer	\$385.90 application fee \$930.70 annual fee \$930.70 renewal fee	\$1316.60 1yr new \$930.70 1 yr renew
QLD*	Real estate agent Auctioneer	\$35.50 criminal history check new \$1025 1yr new/renew \$1925 3yr new/renew	\$1060.50 1yr new or \$677 1yr new \$1025 1yr renew or 642 1yr renew
	Residential letting agent Pastoral house director	\$1025 1yr new/renew \$1925 3yr new/renew	\$1025/\$642 1yr new \$1025/\$642 1yr renew

	Pastoral house manager	\$450 1yr new/renew \$780 3yr new/renew	\$450/\$260 1yr new \$450/\$260 1yr new
	Pastoral house auctioneer	\$760 1yr new/renew \$1400 3yr new/renew	\$760/467 1yr new \$760/467 1yr renew
WA	Real estate and business agent	\$628 3yr new/renew \$60 advertising fee new/renew \$150 Fidelity Guarantee Account payment new/renew	\$279 1yr new/renew
	Sales representative Property manager	\$162 1yr new \$45 FGA payment new \$132 1 yr renew	\$207 1 yr new \$132 1 yr renew
SA	Land agent	\$220 application fee \$270 pre-grant fee \$270 annual registration fee	\$490 1yr new \$270 1 yr renew
	Conveyancer	\$220 application fee \$270 pre-grant fee \$270 annual registration fee	\$490 1yr new \$270 1 yr renew
TAS			
	Real estate agent Pt1 Div1	\$349.44 licence fee 1yr \$116.48 application fee 1yr \$29.44 licence issue fee 1yr	\$495.36 1yr new \$349 44 1yr renew
	Real estate agent Pt 1 Div 2	\$116.48 licence fee 1yr \$116.48 application fee 1yr \$29.44 licence issue fee 1yr	\$262.40 1yr new \$116.48 1yr renew
	Property mgr Pt 2 Div 1	\$291.82 licence fee 1yr \$116.48 application fee 1yr \$29.44 licence issue fee 1yr	\$437.74 1yr new \$291.82 1yr renew
	Property mgr Pt 2 Div 2	\$116.48 licence fee 1yr \$116.48 application fee 1yr \$29.44 licence issue fee 1yr	\$262.40 1yr new \$116.48 1yr renew
	General auctioneer Pt 3	\$349.44 licence fee 1yr \$116.48 application fee 1yr \$29.44 licence issue fee 1yr	\$495.36 1yr new \$349.44 1yr renew
ACT	Registered salespersons	\$173 annual fee	\$173 1yr new/renew
	Licensed agents	\$576 annual fee	\$576 1 yr new/renew
	Licensed agents (condit.) - auctioneer only	\$173 annual fee	\$173 1yr new/renew
NT	Unrestricted real estate agent		\$300 1yr new/renew
	Unrestricted real estate + business agent		\$360 1yr new/renew
	Restricted agent (sales, property management, body corporate management)		\$540 1yr new/renew
	Conveyancing agent		\$480 1yr new/renew
	Auctioneer	\$20 annual licence fee \$30 police form fee	\$50 1yr new \$20 1yr renew
	Agents representative		\$60 1yr new/renew
	Restricted agents		\$120 1yr new/renew

	representative		
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4. MARITIME

Juris	Licence type	Calculation	Annual or actual pro rata fee
NSW	Certificate of competency Master Class 1,2,3/2 nd Mate 1,2	Oral Exam \$143 on application \$426 licence fee 5yr \$102.00 Renewal/revalidate 5yr	\$228.20 1yr new \$20.40 1yr renew
	Certificate of competency Master Class 4/Mate Class 4/Skipper Grade 2	Oral Exam \$143 on application \$390 licence fee 5yr \$102.00 Renewal/revalidate 5yr	\$221 1yr new \$20.40 1yr renew
	Certificate of competency Master Class 5/Skipper Grade 3; Marine Engineer Class 3; MED Grade 1	Oral Exam \$143 on application \$294 licence fee 5yr \$102.00 Renewal/revalidate 5yr	\$201.80 1yr new \$20.40 1yr renew
	Certificate of competency Coxswain	Oral Exam \$143 on application \$148 licence fee 5yr \$102.00 Renewal/revalidate 5yr	\$172.60 1yr new \$20.40 1yr renew
	MED Grade 2	Oral Exam \$143 on application \$192 licence fee 5yr \$102.00 Renewal/revalidate 5yr	\$181.40 1yr new \$20.40 1yr renew
	MED Grade 3	Oral Exam \$143 on application \$102 licence fee 5yr \$102.00 Renewal/revalidate 5yr	\$163.40 1yr new \$20.40 1yr renew
VIC	Unrestricted certificate of competency –all levels	\$145.70 5yr new \$69.70 5yr renew	\$29.14 1yr new \$13.94 1yr renew
	Restricted certificate - coxswain	\$69.70 5yr new \$69.70 5yr renew	\$13.94 1 yr new \$13.94 1yr renew
QLD	Master Class 3/Skipper Grade 1 Master Class 4/Mate Class 4/Skipper Grade 2	\$39.25 assessment of sea service \$6.30 'Record of Service' issue \$209.75 licence fee 5yr \$38.60 Renewal/revalidate 5yr	\$87.50 1yr new \$7.72 1yr renew
	Master Class 5/Skipper Grade 3	\$39.25 assessment of sea service \$6.30 'Record of Service' issue \$148.85 licence fee 5yr \$38.60 Renewal/revalidate 5yr	\$75.32 1yr new \$7.72 1yr renew
	Marine Engineer Class 3	\$39.25 assessment of sea service \$6.30 'Record of Service' issue \$263.85 licence fee 5yr \$38.60 Renewal/revalidate 5yr	\$98.32 1yr new \$7.72 1yr renew
	MED Grade 1	\$39.25 assessment of sea service \$6.30 'Record of Service' issue \$169.10 licence fee 5yr \$38.60 Renewal/revalidate 5yr	\$79.37 \$7.72 1yr renew
	MED Grade 2	\$39.25 assessment of sea service	\$70.45

	MED Grade 3	\$6.30 'Record of Service' issue \$124.50 licence fee 5yr \$38.60 Renewal/revalidate 5yr	\$7.72 1yr renew
WA	Certificates of competency for trading certificates	\$151.70 Fee on application 5yr [includes the issue of certificate \$54.10; record of service book fee \$8.60 and 2 oral examinations] \$70.70 revalidation /renewal 5yr	\$30.34 1yr new \$14.14 1yr renew
	Fishing certificates in perpetuity	Fishing Certificate \$151.70	\$151.70 new only
SA	Master Class 3/Skipper Grade 1	\$1133.00 5yr \$27.50 renewal 5yr	\$226.60 1yr new \$5.50 1yr renew
	Master Class 4/Mate Class 4/Skipper Grade 2	\$936.00 5yr \$27.50 renewal 5yr	\$187.20 1yr new \$5.50 1yr renew
	Master Class 5/Skipper Grade 3	\$768 5yr \$27.50 renewal 5yr	\$153.60 1yr new \$5.50 1yr renew
	Coxswain Coxswain River Murray and Inland waters	\$445 5yr \$27.50 renewal 5yr	\$89.00 1yr new \$5.50 1yr renew
	Marine Engineer Class 3	\$935 5yr \$27.50 renewal 5yr	\$187 1yr new \$5.50 1yr renew
	MED Grade 1 Master Class 4 River Murray and Inland Waters	\$709 5yr \$27.50 renewal 5yr	\$141.80 1yr new \$5.50 1yr renew
	MED Grade 2	\$530 5yr \$27.50 renewal 5yr	\$106 1yr new \$5.50 1yr renew
	MED Grade 3	\$324 5yr \$27.50 renewal 5yr	\$64.80 1yr new \$5.50 1yr renew
	Master Class 5 River Murray and Inland Waters (including Houseboats)	\$587 5yr \$27.50 renewal 5yr	\$117.40 1yr new \$5.50 1yr renew
TAS	Master Class 3,4,5 Skipper1,2 Marine Engineer 3 MED 1	\$319.88 oral examination 5yr \$143.70 application fee \$96.96 issue fee \$106.66 renew 5yr	\$304.66 1yr new \$21.33 5yr renew
	Coxswain	\$106.66 oral examination 5yr \$143.70 application fee \$96.96 issue fee \$106.66 renew 5yr	\$261.99 1yr new \$21.33 5yr renew
	MED 2	\$213.26 oral examination 5yr \$143.70 application fee \$96.96 issue fee \$106.66 renew 5yr	\$283.31 1yr new \$21.33 5yr renew
	MED 3	\$159.38 oral examination 5yr \$143.70 application fee \$96.96 issue fee \$106.66 renew 5yr	\$272.54 1yr new \$21.33 5yr renew
NT	Master Class 3/Skipper Grade 1	\$473 5yr	\$144.60 1yr new

	\$30 application fee 1yr \$20 issue fee 1yr \$30 renewal 5yr	\$6.00 1yr renew
Master Class 4/Skipper Grade 2	\$286 5yr \$30 application fee 1yr \$20 issue fee 1yr \$30 renewal 5yr	\$107.20 1yr new \$6.00 1yr renew
Master Class 5/Skipper Grade 3	\$187 5yr \$30 application fee 1yr \$20 issue fee 1yr \$30 renewal 5yr	\$87.40 1yr new \$6.00 1yr renew
Coxswain	\$77 5yr \$30 application fee 1yr \$20 issue fee 1yr \$30 renewal 5yr	\$65.40 1yr new \$6.00 1yr renew
Marine Engineer Class 3 MED Grade 2/3	\$308 5yr \$30 application fee 1yr \$20 issue fee 1yr \$30 renewal 5yr	\$111.60 1yr new \$6.00 1yr renew
MED Grade 1	\$198 5yr \$30 application fee 1yr \$20 issue fee 1yr \$30	\$89.60 1yr new \$6.00 1yr renew

Source: Licensing authority websites and conversations with licensing staff 7 October 2008

ATTACHMENT B. Alternative options considered for a National Licensing System

On 26 March 2008, COAG agreed to explore further enhancements to existing work being conducted on improving mutual recognition of occupational licences and possible national systems for trade licensing. It asked the Business Regulation and Competition Working Group, with assistance from the COAG Skills Recognition Steering Committee, to develop options for future reform for consideration by COAG in July 2008.

In initial considerations in early 2008, two alternative options for national licensing were considered by the CSRSC in comparison with a national trade licensing. These were:

Maintaining the Status quo – This option would maintain the operation of the existing Mutual Recognition Act 1992 with ministerial declarations for selected occupations;

Drivers' licence model – Under this option, States and Territories would continue to issue licences but these would be valid in all jurisdictions. The model could function with or without harmonisation of state and territory legislation

Following consideration of these options against the preferred option of a single national licensing body under common legislation, these models were not supported for the following reasons:

Maintaining the Status Quo

Under this model the *Mutual Recognition Act 1992* would have continued to operate as it does now. Regulators in each occupation for which a ministerial declaration has been developed would need to participate in an annual update process to ensure the ongoing accuracy of the licence equivalency contained within it.

This model was not supported as the basis for national licensing, as it maintains existing inconsistencies in requirements between jurisdictions. Licensees would continue to meet diverse skills and non-skills eligibility requirements and to pay fees in each jurisdiction in which they operate. The annual update process needed to maintain the currency of ministerial declarations would lead to a high risk, over time that regulators' shared understanding of the equivalency process would falter, leading to a lack of confidence in the declarations and a failure to sustain the process.

Drivers' Licence Model

Two options are possible under this model. In the first, licences would remain unharmonised, that is, skills, administration and compliance requirements would not be harmonised and each jurisdiction would continue implementing their existing requirements. In the second, jurisdictions would seek to harmonise these aspects of licensing.

Under both drivers' licence models, an occupational licence issued by any jurisdiction would be valid in any state or territory in Australia. The *Mutual Recognition Act 1992* would be amended for selected occupations to allow licences valid in one jurisdiction to be recognised elsewhere. State and Territory regulators would continue to issue jurisdiction-specific licences and to operate and maintain their licensing systems under their existing legislation.

A drivers' licence model would facilitate labour mobility and could be expected to reduce the regulatory burden, as licensees would not have to register in each jurisdiction or to pay additional fees. Transition costs would be lower compared with a move to a National Licensing System as legislative amendment would not be as substantial as a national system would require and there would be no need to develop new administrative arrangements.

The effect of the unharmonised drivers' licence approach, however, is to import the complexities of each jurisdiction's licensing system into each other jurisdiction. Regulators would need to be familiar with the scope of work covered by each licence in order to properly monitor the work of licensees. The standard automotive drivers' licence works only because drivers operate with road rules and signage which is essentially uniform. The CSRSC considered that an unharmonised approach would not address issues of consistency or transparency, would increase the level of licensing complexity and has the potential to increase consumer confusion. The CSRSC was also concerned about potentially perverse impacts on consumer protection outcomes by undermining the integrity of jurisdictional regulatory regimes and increasing the potential for jurisdiction shopping. It was considered that there was a significant risk that regulators would lose confidence in the arrangements over time. This model was not supported.

In the harmonised drivers' licence model, national governance arrangements, comprising representatives of all states and territories, would be needed for each occupation to coordinate the establishment and maintenance of the harmonised arrangements. In comparison with a National Licensing System, however, a system which is harmonised rather than unified requires a high degree of continuing inter-jurisdictional coordination to ensure that practices remain consistent over time. Difficulties could be expected in maintaining consistency in legislative provisions without a common legislative basis. Costs would still be incurred in relation to policy development and legislative changes.

It was considered that a harmonised drivers' licence model had a number of disadvantages when compared with some form of national licensing under common legislation. These included the high risk of reforms unravelling over time due to the level of inter-jurisdictional coordination needed and given the failure of past attempts to harmonise regimes. There was also a greater likelihood of resistance to reforms and fewer opportunities to streamline and rationalise than under a form of single system operating under an agreed, common policy.

Summary of key actions and decisions relevant to this RIS

Date	Action/Decision
10 February 2006	COAG agrees that all jurisdictions will achieve full and effective mutual recognition: <ul style="list-style-type: none"> • For selected licensed occupations by 30 June 2007; and

	<ul style="list-style-type: none"> For all vocationally trained licensed occupations by 31 December 2008 <p>The CSRSC is established to oversee the work and to provide chairs for the occupation-specific Action Groups established.</p>
Feb 2006 – Oct 2008	<p>Action Groups established for occupational areas and ministerial declarations prepared and published under s32 of the MRA. Ministerial declarations reflect agreement by jurisdictions that certain licences/registrations, with or without conditions, are equivalent.</p>
26 March 2008	<p>COAG asks the BRCWG, with assistance from the CSRSC, to develop options for further enhancements to existing work on mutual recognition of occupational licences and possible systems for trade licensing.</p>
18 April 2008	<p>BRCWG asks CSRSC to bring forward a preferred option for national trade licensing and occupations to which it might apply</p>
16 May 2008	<p>BRCWG considers five options identified by CSRSC including status quo and drivers' licence models and agrees to recommend to COAG that it proceed with the development of a national trade licensing system.</p>
3 July 2008	<p>COAG agrees to the development of a national trade licensing system. The system is to be endorsed in an IGA between jurisdictions by COAG by December 2008.</p>
July 2008	<p>Expert Working Group established to provide specialised policy advice on the structure and operations of the new system.</p> <p>Research commenced on elements of new system.</p>
29-31 July	<p>First round of consultations with industry and regulators.</p>
Jul – Oct 2008	<p>Extensive research conducted on elements of new system and form and content of IGA.</p>