

Victorian Permissions Framework

Guide 2 – Refining and improving how permissions work

Version 1

When and how to use this guide

This guide provides step by step guidance on applying the Victorian Permissions Framework. It supports implementation of stages 4 to 6 and will help ensure permissions deliver good regulatory outcomes without unnecessary burden.

It will help you improve:

- the design of permission features such as exemptions and thresholds, duration, conditions and fees, charges and penalties
- how you apply and implement permissions
- how you evaluate permission performance.

It is designed to help with:

- undertaking systematic periodic review of permissions and regulation
- identifying what is needed to achieve best practice design and implementation
- ongoing refinement of permissions within the bounds of existing legislation and regulation.

This guide follows *Guide 1: Designing a fit for purpose permissions scheme*.

Both are relevant when undertaking foundational reform. Guide 2 could be read in isolation to pursue specific refinements as part of ongoing best practice and application of regulatory craft.

These guides should be read in conjunction with the other Better Regulation Principles and Guides.

This guide is intended for policy designers and practitioners of regulation. For those involved in design, oversight and day to day operation of permissions it will help you:

- design features for new permissions and plan how to manage them
- assess and improve existing permissions so they are aligned with **your regulatory intent**
- **ensure permissions are effective and impose the lowest feasible regulatory burden**
- prompt removal or re-engineering of existing permissions – simplify, consolidate or abolish.

Existing legislation, regulations and rules may enable or constrain changes to permission administration. Working through this guide might identify opportunities for improvement.

Five key principles to best practice design and use of permissions

Permissions are an important tool for managing risk. A new permission scheme should meet these principles. An existing scheme should be reviewed to ensure it meets these principles.



Risk-based and proportionate

Permissions should be commensurate with the risks being managed.

In outcomes-based regulatory models, permissions should target highest risks.

Regulators should tailor conditions to entity performance and their ability to manage risk.



Effective and efficient

Permissions should apply the least burden to effectively control risk in concert with other risk controls.

Permission holders should be able to follow and meet requirements efficiently.

Design should consider costs to entities and regulators.



Streamlined and targeted

Without compromising the other four principles, permissions reform should:

- reduce the intensity of control or extent of coverage
- remove unnecessary permissions
- consolidate permissions with significant overlap
- align with other jurisdictions where appropriate.



Digital ready

Regulatory requirements (such as Fit and Proper Tests) should be standardised to align with best practice and digitised where possible.

Regulator processes should aim for businesses telling government once.

Consider during design whether legislation could be implemented digitally and whether there is sufficient clarity about how the law is intended to operate.



Regularly reviewed

Permissions should be reviewed and improved regularly.

Regulatory frameworks must align with the Victorian Government's Treaty obligations.

Consultation with stakeholders should inform regulatory design.

Outcomes of reviews should be communicated to decision-makers and stakeholders.

This guide applies stages 4 to 6 of the Framework

It supports departments and regulators to design, administer and evaluate their permission.

Guide 1 - Designing a fit for purpose permissions scheme

1. Understand problems

- What are the risks and are they substantial?
- Do they warrant a role for government?

If there is a need for Government intervention

2. Consider available tools

- What are the best tools, is a permission required to manage the risk?

If permissions are required

3. Select permissions

- How can a scheme be designed to target risks efficiently and effectively?

For a given permission scheme

Guide 2 - Refining and improving how permissions work

4. Design features

- How can we target risk using best mix of features for each permission?

If planning or improving administration of a scheme

5. Administer effectively

- Do regulator practices achieve the best risk management using existing permissions?

For all permission schemes

6. Evaluate outcomes

- Do monitoring and evaluation processes inform policy and regulatory improvement?

If desired outcomes are not being met, go to step 1

Using this Guide

Structure

- Overview of all stages
- Stage 4: Permission design
- Stage 5: Operational design
- Stage 6: Review
- Next steps
- Appendix

Before you begin

Be clear about the context for your review. Consider the overarching Victorian Permissions Framework and whether Guide 2 is the best supporting document for your needs. See **Appendix 1** for an outline of related guides.

The Framework and Guide can be used for fundamental reform and design of new permissions, as well as to improve existing permissions. If it is:

- **fundamental reform** – follow on from Guide 1 Stage 3, where you decided on the broad structure of a new or reformed permission scheme and now need to design detail and prepare to operate.
- **improvement of existing permissions** – use Guide 2 (which starts at Stage 4 of the Framework) to critically assess opportunities for improvement in design, practice or monitoring.

Identify relevant permissions and how they work within their broader regulatory regime and the state, interstate and national context. Even if you are considering a new permission, there may be relevant other permissions to take into account.

Apply the stages in order in this guide. Be prepared to return to Guide 1 if you are unable to approach the questions as prompted or your analysis suggests a more fundamental reform.

Use the template included in **Appendix 1** to summarise findings to support a recommended reform.

Stage 4: Design features

What is the optimal mix of features of each permission?

Focus of this stage

In this stage you will explore design of a specific permission (a licence, permit, registration or other). This could be an existing permission or a permission proposed in Stage 3 of the Framework.

This permission will relate to an ongoing operation or a finite activity.

You will ask questions relating to the drivers of the risk, the targeting of coverage to the risk, and the level of flexibility in your settings.

Many of these issues are tied to regulations and the primary legislation. These are the starting point for review and improvement as well as a regulator's scope of operations.

Note the stages interact and it may not be possible to proceed linearly.

Steps in Stage 4

REFINE
COVERAGE

REFINE RISK
CONTROL

COMPLIANCE
TOOLS & POWERS

DURATION

FEEES AND
CHARGES

Follow the steps in Stage 4 to assess or design a permission

Detailed design in Stage 4 of permissions identified in earlier Stage 3 must balance:

- risk reduction based on who and what drives the harm (consider the risk assessment template in **Appendix 2**)
- costs of administering regulation and burdens imposed on businesses and barriers to innovation
- practicality and simplicity to comply with and enforce.

Stage 3 identifies permission options, while Stage 4 considers optimal design choices to develop a preferred option that balances risk, cost/burden and practicality .

REFINE COVERAGE

Should you refine coverage with exemptions and thresholds?

Coverage will have been set in Stage 3 or current regulation.

Consider whether targeting needs to be refined either in the permission or by way of exemptions and thresholds.

REFINE RISK CONTROL

Consider pre-screening and conditions

Determine the ideal combination and design of pre-screening and conditions to balance how risk is managed, using only the level necessary and sufficient to manage the risk.

COMPLIANCE TOOLS & POWERS

What tools and powers do you need for compliance?

Preceding steps (e.g. determining the nature and extent of risk controls) will inform the approach to tools and powers needed for an effective monitoring program, such as reporting or records requirements.

DURATION

Establish longest appropriate duration for ongoing activities

Set a longer permission for ongoing operations under a licence or registration

Set a permit duration to match the specific activity.

FEEES AND CHARGES

Cost the program and consider how you will fund it

Finally, with an understanding of all the activities involved in the granting the permission and monitoring its performance, you will be in an informed position to consider fees and charges.

Key questions – refine coverage and risk control

REFINE COVERAGE

Focus on risk

- Does the permission focus on the businesses, activities, products, locations and timing that are driving the risk of harms, while being simple enough to understand and cost-effectively administer?
- Can the drivers of risk be identified? Are they measurable so that those not contributing to risk can be excluded or thresholds set?
- Have you targeted the permission and ensured exemptions are used appropriately?
- Are thresholds risk-based? Do they retain flexibility to adapt to and enable innovation?

REFINE RISK CONTROL

- Which would manage risk better - controlling behaviour with conditions after granting permission or pre-screening applicants for particular characteristics to deny permission to unsuitable applicants?

Pre-screening

- Will characteristics of the permission holders (e.g. criminal history) be good predictors of compliance?
- Will pre-screening sufficiently reduce the incidence or likelihood of high-risk activities and non-compliance?
- What mix of pre-screening tools (e.g. qualifications check, compliance and criminal history) best suit the risks being managed? What requirements would be useful to check before applicants are able to commence?
- Are pre-screening requirements clear, simple, digitised where possible, and practical to assess?

Condition policy and design

- Are the conditions necessary and sufficient to manage the behaviors that drive risks?
- Would compliance with the conditions eliminate, mitigate or reduce the risk of harm?
- Are there suitable alternatives that could be used to manage risks, rather than imposing conditions?
- Are the conditions clear, simple, measurable, enforceable?
- Are conditions outcomes or performance-based where appropriate? Are more prescriptive conditions appropriate for less mature sectors?
- Do you have a conditions library and do applicants understand what conditions that apply to them?

Key questions – monitoring tools and powers, duration and fees

COMPLIANCE TOOLS AND POWERS

Compliance tools and powers

- Do you have the powers to assess performance, establish non-compliance, efficiently amend permissions and conditions, place restrictions, suspend or revoke, sanction, or issue a penalty or fine? Can they be enforced?
- If they do not already exist, can the desired powers be created through design of conditions or legislative reform?

DURATION

Duration length

- Has the permission duration been set at the maximum appropriate length?
- Is a shorter duration warranted to manage risks that are difficult to control through conditions?
- Is the permission duration aligned with the maturity of the sector, characteristics of businesses and level of change in the environment?

FEES AND CHARGES

Fees and charges

- Have fees and charges been set using the Department of Treasury and Finance's **Pricing for Value Principles**? Have you contacted DTF at pricing@dtf.vic.gov.au to discuss fees and charges reform?
- If the Framework prompts changes to your set of permissions, have you redesigned fees and charges across the full range of permissions?
- Do fees and charges promote positive behaviours?
- Do fees account for the overall approach to managing permissions, beyond approvals?
- Is the design of fees relevant to promoting or incentivising behaviour change to reduce risk of harms, in combination with other measures?

4.1 Refine coverage – exemptions and thresholds

What are thresholds and exemptions and how should they be applied?

Thresholds and exemptions involve who and what is excluded from the permission.

They can be used to include or exclude permission-holders from some or all requirements of the permission, based on their characteristics or other aspects of the activity/operation. They might be provided for in primary legislation or through the design of regulations and they can be applied to individuals or cohorts.

Exemptions and thresholds should be used to:

- refine the coverage of the permission to more closely align with the true drivers of risk and reduce the burden imposed on low or no-risk businesses
- clearly define the boundaries of the permission and/or between permissions (e.g. threshold where a licence is required instead of a registration)
- adapt the coverage of the permission in response to changes in risks, the regulatory landscape (e.g. introduction of national regulatory scheme), or knowledge of the precise sources of risk.

The effectiveness of exemptions and thresholds can be limited when:

- they are difficult to communicate to industry and businesses have difficulty understanding how the exemptions/thresholds apply to them
- they are used as a stop-gap solution for issues with the coverage or target of the permission. This may be evidenced by extensive use of exemptions/thresholds (relative to the overall scope of the permission). In such cases, return to Stage 3.

When setting exemptions and thresholds consider:

- whether this a response to more fundamental issues with the target and/or coverage of the permission
- whether the exemptions/thresholds are evidence-based, clearly defined and equitable
- how you will apply them and communicate the changes to industry
- whether and how industry/business can provide input on or seek review of decisions on exemptions/thresholds

Examples - Exemptions

Existing exemptions

- Routine activities, such as mowing, driving through paddocks to check on stock or other activities which may cause wildlife to be unintentionally disturbed, do not require an authorisation under the *Wildlife Act 1975*.
- A facility that manufactures smallgoods where the smallgoods are consumed at the same facility (e.g. a restaurant) is exempt from holding a PrimeSafe meat production licence.
- Selling live yabbies is exempt from the need to hold a seafood safety licence.

Power to make exemption

- The Environment Protection Authority (EPA) can grant an exemption to a class of persons from a requirement in the Environment Protection Regulations 2021 or other subordinate legislation.

4.2A Refine risk control – pre-screening

What are pre-screening requirements and how should they be applied?

Pre-screening assesses suitability before a permission is granted

Regulators can use information about an applicant and their proposed activities/operations to predict and manage the potential for future risk and deny permission where the potential risks are unacceptably high. Pre-screening can involve assessments of:

- the competency and mandatory attributes of applicants, including financial viability and character history (these are sometimes known as Fit and Proper tests)
- aspects of the proposed operation such as location (e.g. liquor licence) or design (e.g. child care premises), which may include consideration of objections after public notice period
- other regulatory requirements (e.g. suitable risk management plan).

Use pre-screening effectively

- Pre-screening can increase compliance and lower future compliance and enforcement burdens on regulators and existing permission holders. However, this needs to be balanced against the costs and administrative burden of screening applicants.
- More extensive pre-screening may be a more appropriate action than conditions where ongoing compliance costs are likely to be high, it is difficult to monitor compliance or where pre-screening deters bad actors from entering industry at high rates.
- The single point in time nature of pre-screening is a limitation, especially for longer duration and permissions that are renewable without re-screening. In those cases, conditions might be more effective than pre-screening.
- Pre-screening requirements should be based on the drivers of risk and proportionate to the risks involved. Where possible they should also be standardised and digitised.

Additional information [Appendix 2]

- Risk controls - pre-screening and condition setting
- Pre-screening for applicant characteristics
- Fit and Proper Tests

Examples – Pre-screening

- Permits for transporting controlled waste into Victoria, e.g. previous breaches of compliance with environment protection legislation, managing an insolvent company.
- Registration as a school teacher, e.g. relevant education and a National Coordinated Criminal History Check.
- Registration as a rental housing agency, e.g. demonstrate capacity to meet performance standards set out in the *Housing Act 1983*
- Exploration licence – e.g. previous failure to undertake mine rehabilitation, convicted of an offence involving fraud or dishonesty or previously had a licence cancelled under the *Mineral Resources (Sustainable Development) Act 1990*.
- Registration as a building practitioner, e.g. a letter of eligibility by an insurer to show that the builder is eligible to get the required insurance for building after obtaining the required registration. It is not a certificate of insurance for a specific job.

4.2B Refine risk control – conditions policy and design

What are conditions and how should they be applied?

This step will help you set up your approach to designing conditions. Capture your approach in an internal or external-facing document. Administration is in Stage 5.

Conditions can communicate or establish specific legal responsibilities and compliance requirements. They also set out how these requirements are to be met by permission holders. Set out your approach to conditions in your compliance policy.

Conditions are more likely to be suitable if you can answer yes to:

- Are general requirements (e.g. general duty or regulation applying broadly) insufficient and is a condition necessary to manage the risk of harm?
- Will compliance with the condition manage the risk of harm?
- Are the risks high and is remedying them difficult without conduct rules?
- Have other remedies and sanctions been ineffective?
- Is poor permission holder behaviour widespread and driving risk?
- Would the condition make it significantly more efficient or effective to enforce compliance?

Principles to keep in mind as you develop conditions include:

- Clear and enforceable
- Adaptable
- Proportionate
- Targeted and transparent
- Low burden
- Complementary

Additional information [Appendix 2]

- Setting conditions – tailoring to risk in a conditions library
- Principles for drafting conditions
- Designing and applying conditions

Examples – conditions

- Information collection and reporting: e.g. reporting information to regulators on operational activity.
- Conduct rules/operating requirements: e.g. obey certain rules when undertaking an activity or being required to use a specified information system.
- Quantity restriction, such as restricting access to a natural resource.
- Administrative conditions – e.g. EPA permissions include a standard condition to maintain a copy of the permission on-site and make it available upon request.
- If risks reduce over time because of improvements in technology, conditions could be changed accordingly.
- If permission holder behaviour and responses change, conditions could also be changed accordingly. The conditions should be informed by the capability of a regulated entity to manage risk, e.g. EPA can initiate amendments to permissions.

4.3 Compliance – design of compliance and enforcement powers

What compliance and enforcement powers are required?

This step helps ensure tools are available for effective monitoring, compliance and enforcement. Stage 5 discusses monitoring and compliance functions.

Design of compliance and enforcement powers underpins the integrity of permissions. For example, it can be:

- an offence to undertake an activity or conduct without a permission
- an offence to not comply with the conditions of the permission.

Legal provisions and supporting processes may be needed for powers of inspection and entry, collecting information and remedial notice powers.

It can be hard to identify who should be subject to compliance where harms are diffuse, hard to identify or costly to monitor. If so, re-examine coverage and risk control or return to Guide 1 to check the broader scheme design.

While they are generally non-punitive, conditions (e.g. additional audits or reporting) can be used as a sanction to manage poor performance where other enforcement mechanisms are not available.

Penalties

Removing permission (either permanently through revocation or temporarily through suspension) is a strong incentive for compliance. Design should consider requirements and regulator capability/capacity needed to prove breach of a condition. Grounds for granting and denying permission should be transparent and clear.

Revocation should be complemented by more graduated and readily available measures. Penalties (fines, restrictions and other administrative sanctions) should:

- influence behavior – encouraging compliance and signaling conditions will be enforced. They should be proportionate to the risk of harm and severity of the breach.
- be clearly set out (e.g. fines expressed in penalty units) and enforcement transparent with the number and type of penalties issued made public.

Examples - Compliance

Compliance and enforcement

- Dairy Food Safety Victoria authorised officers are empowered to attend and enter premises used for dairy food production, with or without notice or consent, to monitor compliance or for investigation and they may issue orders, infringement notices and warnings.
- PrimeSafe conducts unannounced inspections of all licensed abattoirs, pet meat processing facilities handling live animals and poultry processing facilities on a biannual basis to ensure compliance with Australian animal welfare standards.

Penalties

- Dairy – A breach of licence condition may result in cancelling the licence and a person operating a dairy business without a licence can be fined.
- Earth resources - where a breach of the *Mineral Resources (Sustainable Development) Act 1990* or significant harm occurs and consultative measures are unlikely to be effective, an infringement notice may be issued (generally for specific, minor prescribed offences).

4.4 Duration

What is duration and how should it be applied?

Duration is the period of time for which a permission is granted.

Set duration for as long as appropriate. Do so to align with the characteristics of businesses or activities and in balance with other permission features.

Longer durations are preferred for **licences and registrations** (e.g. four years), especially where there are:

- high startup costs
- enduring property rights, where businesses seek confidence to invest and regulators want to encourage certain behaviours
- opportunities to reduce administrative costs for the regulator and permission holder.

Only consider shorter duration where:

- risks of harm are substantial and difficult to control through conditions, e.g. new market entrants still demonstrating their ability to comply
- the permission conditions might need to change over time due to market and technological innovations or legislative change
- the regulator does not have effective methods to revoke permission.

Fees and charges can be applied annually to recover costs even if permissions are longer. Fees and charges are not a sufficient reason for a shorter duration.

A **permit** should be for the period of the time-limited activity. It should be issued sufficiently in advance for a business to confidently plan and prepare for an event.

Examples - Duration

- All PrimeSafe licences are for one year.
- Dairy processing licences are for one year. Potential reform could include longer duration for lower risk businesses (e.g. large well established and high compliance businesses), while retaining the one-year duration for new dairy processors yet to demonstrate a history or capacity for compliance.
- The *Environment Protection Act 2017* provides for some waste licences to have a duration up to 99 years and other licences for up to 20 years.
- Authorities to Control Wildlife, a type of permit, are generally issued for six to 12 months. Duration is informed by the time needed for landholders to complete the necessary controls, among other factors.
- Temporary limited liquor licences, a type of permit, are issued for the time period of the particular event.

4.5 Fees and charges

What are fees and charges and how should they be included?

Before setting fees and charges you will have:

- reviewed your permissions, assessed the regulatory activity and propose to implement or continue a permission
- considered the cost of all regulatory functions involved in managing risk through the permission lifecycle.

Pricing for Value Guide

The Standing Directions under the *Financial Management Act 1994* require agencies to apply the Guide in the setting of fees and charges for government services (including regulatory services). This Guide:

- is based on 12 principles (including cost recovery) and is the practical methodology for undertaking pricing reviews
- provides practical step-by-step guidance for undertaking pricing reviews
- requires that pricing arrangements be monitored annually and reviewed periodically.

Any proposed new prices or price changes that will have a revenue impact exceeding \$50 000 a year (indexed) requires the Treasurer's approval.

Fees are not limited to renewal timing and can be issued more regularly – e.g. five-year duration with annual fees. In this case, fees may be limited to recovering actual costs.

Additional information [Appendix 2]

- Fee level and structure reform scenarios
- Further information about the Pricing for Value Guide can be found on the Department of Treasury and Finance [website](#) and by emailing pricing@dtf.vic.gov.au

Pricing for value principles

- Principle 1 : Agencies should aim to recover the full costs of service provision to promote efficient consumption.
 - Practicing certificate fees for barristers and other practitioner classes have been set at cost recovery levels
 - The Victorian Essential Services Commission recovers family violence hardship provisions as part of industry licence fees.
- Principle 3: Services creating broad benefits for the community should be priced to support efficient consumption.
 - Some Heritage Victoria permit fees have been set below full cost recovery, in part to reflect community benefits from cultural heritage values.
- Principle 6 : Users should pay for differentiated service based on the value created by that differentiation.
 - Some agencies offer a fast-track service for expedited applications.

Stage 4: Reflection point

When you have completed this stage, you will have refined the design of your permission so that it is as effective and efficient as it can be.

REFINE COVERAGE

REFINE RISK CONTROL

COMPLIANCE TOOLS AND POWERS

DURATION

FEES AND CHARGES



You have made sure permission features:

- are risk focused on who and what drives the harms
- avoid burdening those that contribute little to risk
- manage risks at the appropriate time (e.g. pre-screen or after permission approval) and have the necessary mechanisms to enforce and penalise non-compliance
- sharpen the focus and clarity of your expectations, so that it is aligned with regulatory effort
- where possible, leverage suitable existing systems, standards and practices to reduce information burdens.



Balancing these features collectively sets the tools and regulatory policy to be applied by a regulator.

Stage 5: Administer effectively

Will they operate effectively, efficiently and digitally?

Focus of this stage

In this stage you will explore ways to make the application and issuing of a permission as quick and simple as possible.

You will also think about how digitising processes can help generate and use data and systems to regulate the harm more effectively and efficiently. You will harness information to target compliance risks and use other supporting processes such as education and complaints handling to improve regulatory outcomes.

Use the [Playbook for Implementing Permissions](#) (the Playbook) to develop an action plan for process improvement and prepare for digitisation. Refer to [Towards Best Practice Guide](#) principle 5 (support duty holders to comply) and 6 (target regulatory risk based on harm).

This stage highlights some important principles and considerations to support regulators in developing/reviewing the processes, procedures and structures required to administer a permission scheme. This review is not designed to replace a statutory review or mid-term evaluation of a set of regulations.

Steps in Stage 5

EASE OF
APPLICATION

HARNESS
INFORMATION TO
TARGET RISKS

OTHER
REGULATORY
ACTIVITIES

Follow the steps in Stage 5 to effectively and efficiently administer the permission

The journey of the permission holder will be shaped by how you engage with them. The administration of permissions should aim to:

- make permission applications as simple and streamlined as possible
- clarify the information required of permission holders in the future and how it will be used to inform decision-making
- use data and intelligence across the regulator to analyse target compliance risks
- shape the outcomes of the permission system by how you educate and inform permission holders.

EASE OF APPLICATION

Have you streamlined the initial part of the permission journey so it is user focused?

Your application and permission renewal process will be as simple, user orientated and timely as possible. Your approach to assessing applications and grounds for refusing or denying permission applications is straightforward and clear.

HARNESS INFORMATION TO TARGET RISKS

What information will you require to regulate the permission and how will you record and use it?

Your ongoing regulation of the permission is well considered. Effective information systems help you target risks of non-compliance. This will include intelligence and other data that help you allocate your regulatory effort. Your staff have the skills and capabilities to execute to your compliance plan.

OTHER REGULATORY ACTIVITIES

How will your process systems support permission holders' journey?

You communicate effectively with permission holders on requirements. You educate and are transparent about decision-making and the outcomes being achieved. You will have appropriate complaints handling systems and means of redress. Your data systems are harnessed and best practice.

Key questions – operating and managing permissions

EASE OF APPLICATION

Ease of application

- Can permission processes be more streamlined, digital ready and user-orientated? For example, by:
 - making decisions more quickly
 - aligning application processes with other regulators
 - using the Service Victoria platform
 - adopting Victorian best practice standards to be digitally ready – see the [Playbook](#).
- Are permission application processes simple, clear to understand and regularly updated?
- Could you reduce the time it takes to assess and approve an application?
- Is this similar to other comparable applications elsewhere?

HARNESS INFORMATION TO TARGET RISKS

Risk based

- Are your compliance policy and plans clear and risk based?
- Are you allocating the right level of resources to regulatory effort?
- Do your staff have the skills and capabilities to execute your policies and plans?

Information requirements

- Do you have sufficient information to inform a targeted and well-run compliance program?
- Does your information collection adequately inform risk and outcomes?
- Is information the minimum required to do so?
- Could information be obtained from other sources or consolidated across regulators?
- Are data protection and use policies best practice and do they align with privacy laws?

Key questions – operating and managing permissions (continued)

OTHER REGULATORY ACTIVITIES

Education and communication

- Are permission holders aware of their compliance obligations?
- Do you have an education program that can target and address risks before they occur, and do you monitor what it achieves?
- Can you segment the population of permission holders into groups to support education campaigns or improvement programs?
- Can you tailor messages to each cohort at the right time or according to the types of conditions they face?

Complaint handling

- Do you have transparent and fair processes to handle complaints (from both permission holders and the public) and requests for reviews of decisions?
- Are there simple digital ways for the public and permission holders to lodge complaints?
- How will you keep permission holders informed about the progress of a complaint assessment?
- How will data on complaints and decision reviews help inform your approach to compliance?

5.1 Ease of applying for the permission

What is meant by streamlined, digital ready and user-oriented?

This step helps to ensure a streamlined, fast application process for applicants.

Regulators should make permission decisions promptly and reduce timeframes wherever possible. Consistent improved performance should be reflected in better performance against statutory timeframes, and options to extend these should be reduced where efficiencies have been made within a regulator or system. Be sure to:

- explore options to streamline applications and assessment processes within a regulator or across regulators to generate efficiencies
- communicate requirements and help applicants become prepared to manage their risks, once they are granted permission and can operate or undertake the activity.

Being digital ready can be implemented in different ways:

- Preparing for and delivering digital transactions
- Avoiding digitising inefficient or ineffective processes
- Integrating permissions and compliance systems for better risk-based approaches
- Managing permissions and maintaining real-time public registers on digital platforms
- Seeking advice on RegTech procurement from Victorian Department of Government Services.

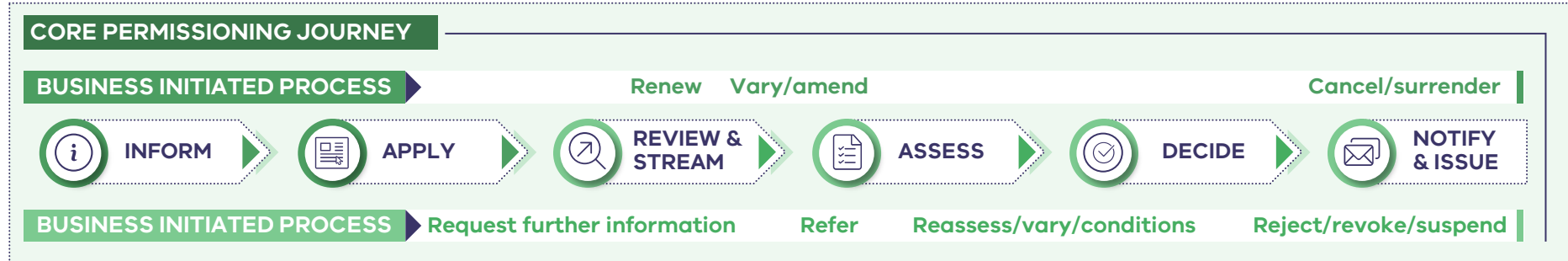
Examples – Streamlined processes

Service Victoria can link Working with Children Checks to applications for teacher registrations.

Earth Resources Regulation is required to assess quarry work plan applications within 28 days and publishes timeliness statistics quarterly.

The Environment Protection Authority (EPA) automatically assesses applications for registrations and provides an immediate decision.

The Playbook guides regulators on how to improve permission schemes and prepare for digitisation.



5.2 Harness information to target risks

Use information to prioritise regulatory effort and resources according to risk

A range of data inputs should inform a targeted approach to reducing risk through compliance monitoring and enforcement

The approach to these activities should:

- target the most significant risks and opportunities for greatest risk-reduction
- ensure regulatory effort is commensurate with risk and the severity non-compliance (refer to [Towards Best Practice Guide - Principle 6 target regulatory risk based on harm](#)).
- be graduated and responsive
 - Compliance monitoring and inspections – vary the frequency, depth and intensity of assessments by drawing on intelligence and risk analysis
 - Enforcement – maintain a suitable hierarchy of enforcement tools and clearly define the levels of severity in enforcement responses (e.g. between suspension and revocation of permissions) and their connection to risk.
- account for the inherent or static risk of permission holders, as well as their individual risk level as demonstrated by ongoing performance.

In gathering data ensure you should:

- be clear on the information required of permission holders and minimise information burdens
- avoid collecting information when it is already available elsewhere – explore data sharing opportunities with other regulators
- use complaints data to inform monitoring and enforcement plans
- assess the potential for intelligence and surveillance.

Information and data collection should be best practice and adhere to privacy laws.

Examples – Risk-based compliance

The Victorian Environment Protection Authority develops compliance priorities based on an analysis of data from the previous year and includes a range of information sources and intelligence including an analysis of third party complaints.

Dairy Food Safety Victoria focuses compliance activities on high risk milk processors. This includes repeat audits where there are concerns regarding the processors capacity to maintain required standards.

Many regulators publish their compliance and enforcement policy, including:

- Wage Inspectorate Victoria
- Consumer Affairs Victoria
- Conservation Regulator
- Environment Protection Authority (Vic)
- Essential Services Commission

5.3 Other regulator activities

What is meant by regulator activities?

A well functioning permission system is the sum of all parts. The regulator and regulatory system should work seamlessly together. This step considers some of the complementary but important external facing components.

Education and communication should be integral to shaping the permission system journey and outcomes. Keep your permission holders informed and focused on risk. Ensure they understand their responsibilities when applying for and holding a permission. Your plans will include how you will:

- communicate with permission holders over the lifecycle of the permission
- target the audience
- customise the messages to leverage the desired proactive behaviours.

Complaint handling should be clear, transparent, fair, timely and digital where possible.

- Regulators generally provide pathways for complaints about authorised officers, review of decisions and public complaints about permission holders, risks and issues.
- Complaints can serve as an early warning system and should be integrated with compliance systems.
- Inform permission holders of the avenues to seek review of decision as well as what to expect if a complaint is made about them
- Hearing processes should be just with procedural fairness and rights to appeal and review

Operation and maintenance of information systems should be best practice. Only source, store and use data required for the efficient and effective function of the permission system. Consider connecting all the information components through the permission journey into an intelligence ecosystem.

Examples – Regulator information

Information:

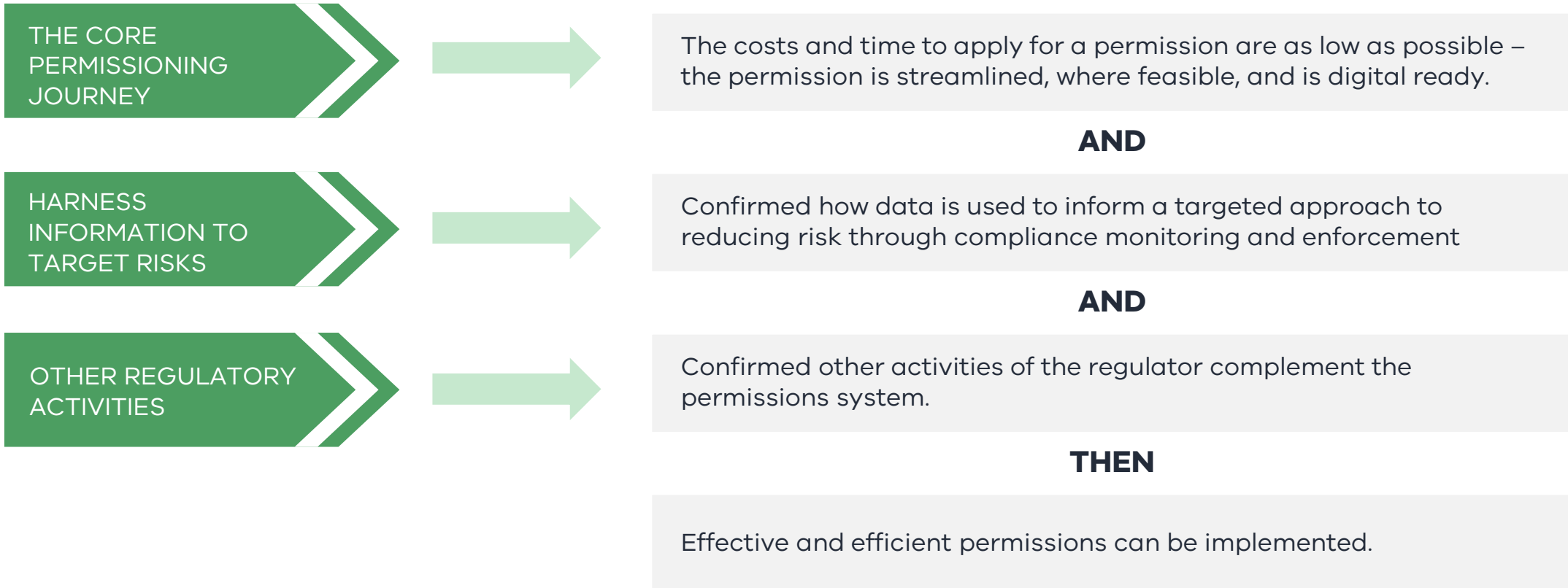
- Identity of permission holders (e.g. address and contact details)
- Information on compliance of permission holders with conduct rules
- Mandatory reporting can highlight where risks are not being managed, while also helping inform permission holders on their responsibilities.
- Information can inform ongoing policy development and review of the effectiveness of the permission.

Education:

- Earth Resources Regulation publishes Community Engagement Guidelines to help mining licensees meet their requirement to provide a plan for effectively consulting the community.

Stage 5: Reflection point

When you have completed this stage, you will have a checked you are managing a permission well and in a streamlined and digital (or digitally ready) manner. You will have made the application as simple and timely as possible, and you will be using data across applications and operations to help you regulate.



Stage 6: Evaluate outcomes

Is the permission system working as planned?

Focus of this stage

In this stage you will:

- consider the merits of your proposed permission reform and how this would be evaluated in future
- monitor how the permission is performing and think about how to evaluate the outcomes and your regulatory performance against it
- document how you will evaluate outcomes and how you went about achieving them
- harness the insights from ongoing evaluation to improve the operation and the design of the permission over time.

Steps in Stage 6

EVALUATE
PERFORMANCE OF
THE PERMISSION

DEVELOP
INDICATORS

DOCUMENT AND
REPORT

Key questions – monitoring and continuous improvement

EVALUATE PERMISSION PERFORMANCE

Evaluating performance

- Are you clear about desired outcomes from the permission scheme?
- Do you have sufficient understanding of the drivers, intervening and moderating variables influencing the desired outcomes?
- Do you have a shared policy and regulatory focus to review and improve performance?
- Are permission requirements genuinely leading to high performance and risk management?
- Are you able to detect poor performance through reporting and monitoring?

DEVELOP INDICATORS

Key Performance Indicators

- Do you have appropriate indicators for permissions that support understanding of trends and changes?
- Is the data collected the minimum necessary to understand performance of the regime?

DOCUMENT AND REPORT

Evaluation plan and methodology

- Do you have a plan for ongoing and cyclical evaluation?
- Do you have an appropriate documented evaluation methodology?
- Are risks taken into account in determining the scope and frequency of evaluation?

Reporting

- Who needs to know the outcomes of the permissions evaluation?
- How will the outcomes be used?
- Are you clear on the responsibilities of the regulator and the Department?

6.1 Evaluate permissions performance

Be clear about what you are evaluating

Evaluation should be carefully designed so it can determine whether the permissions system is meeting objectives, genuinely managing the risks and remains relevant. Consider the role of permission holder reporting.

When proposing to change a permission or scheme, consider the foundations for future evaluation. Make sure you:

- have data and evidence to support your proposal
- are able to demonstrate how you weighed up options, including any assumptions
- are clear on the measures you will use to justify (and later evaluate) the change.

Have a shared policy and regulator focus to evaluate permissions

- Continuously review permissions performance over the legislative lifecycle to inform future improvements.
- Areas of common interest may include planned versus actual performance, outputs in relation to inputs, impact of programs against regulatory objectives, opportunity for strategic review and focus for external accountability.
- Where you have an outcome logic, theory of change or other model – explicitly identify permissions and their role.
- Build on separate focus areas:
 - Regulation evaluation – periodic review and evaluation of regulations
 - Delivery monitoring – continuous improvement, focus on inputs, activities, outputs

The permissions operating environment will evolve. Monitoring will provide insights and means for continuous improvement. Build a culture of enquiry to ensure the permission continues to be fit-for-purpose.

Examples – Evaluating performance

- Each financial year the Victorian Essential Services Commission compares the performance of urban water businesses against one another using its performance indicator framework.
- PrimeSafe recently reviewed its licence conditions and in July 2023 simplified conditions and removed those that were no longer relevant.
- The EPA reviewed all three licences for brown coal-fired power stations (public report 2021). It consulted and received 493 submissions from the community. It made changes to all three licences with regard to air emissions and wastewater.

6.2 Develop indicators and metrics

How will you measure success and improve?

Indicators of regulatory performance generally focus on two areas – the effectiveness of the regulator’s activities and the extent of behaviour change achieved.

Establish evaluation focus/questions before developing metrics. For example,:

- were your assumptions about targeting and coverage to manage risk correct?
- what are the costs of operating the permissions system, and is the permission achieving the desired additional control relative to not having a permission?
- how is the permissioned cohort performing and what gaps do you have in knowledge?
- are permissions supporting confidence to invest and operate in industry/sector?

Ensure you consider common issues with monitoring performance:

- Spotlight effect: managing engaged duty holders who obtain and report against permissions, and missing those who have evaded/failed to engage.
- 'Gaming' by permission holders: where entities put effort into reporting to mislead the regulator as to their underlying performance.

Indicators and metrics can help answer some of these questions and should include:

- the problems themselves (objective data about the harms)
- quantity and quality of regulatory activities (start basic and build)
- subsets of activity (e.g. higher risk) and how they contribute to overall outcomes
- composite indicators and links between activities that build insight.

When designing KPIs :

- information is costly – only collect what is needed and cannot be obtained elsewhere
- consider the type of information needed, the frequency of collection and cost-effective measurement techniques such as sampling.

Additional information [Appendix 2]

- Sample permission KPIs for regulators

Examples – Developing indicators

- DFSV undertook a major digitisation project, the Dairy RegTech 2022 pilot. The initiative delivers real-time monitoring and reporting, integrating performance data and measures of behaviour. The focus is on food safety culture, that is, behavioural driven risk.
- The Victorian Housing Registrar developed a Key Performance Indicator reporting framework for registered housing agencies (and which applicants need to address).

6.3 Document and report

How will you evaluate and report and who will be responsible?

Regular and carefully planned evaluations provide the building blocks to effective regulation and continuous improvement. These should include a clear focus on permissions where they are part of the regulatory regime.

Evaluation plans should identify permissions (where present) and set out:

- scope of evaluation (if it is a discrete evaluation, should be informed by risk)
- who will do the analysis (department, regulator, internal, external, independent)
- metrics, analytical methods and tools to analyse outcomes and permissions and regulatory performance – qualitative, quantitative and economic
- data sources and other information
- who will be consulted
- when it will be undertaken – informed by risk; annual performance plus a five yearly cyclical review or at a midpoint in term of regulations.

Evaluations should be fit-for-purpose: if the nature of the harm is severe and intensifying, a comprehensive review may be warranted.

Evaluation plans should be clear and transparent about how outcomes will be reported and used, including:

- how and when metrics and evaluations will be reported and to who (e.g. department, regulator, its compliance team, those regulated, and those who must have confidence in regulatory efficacy)
- how you will translate evaluation outcomes into permission improvements, such as incremental operational improvements, adjustments to features of a specific permission or reform of the permissions scheme or broader legislative design.

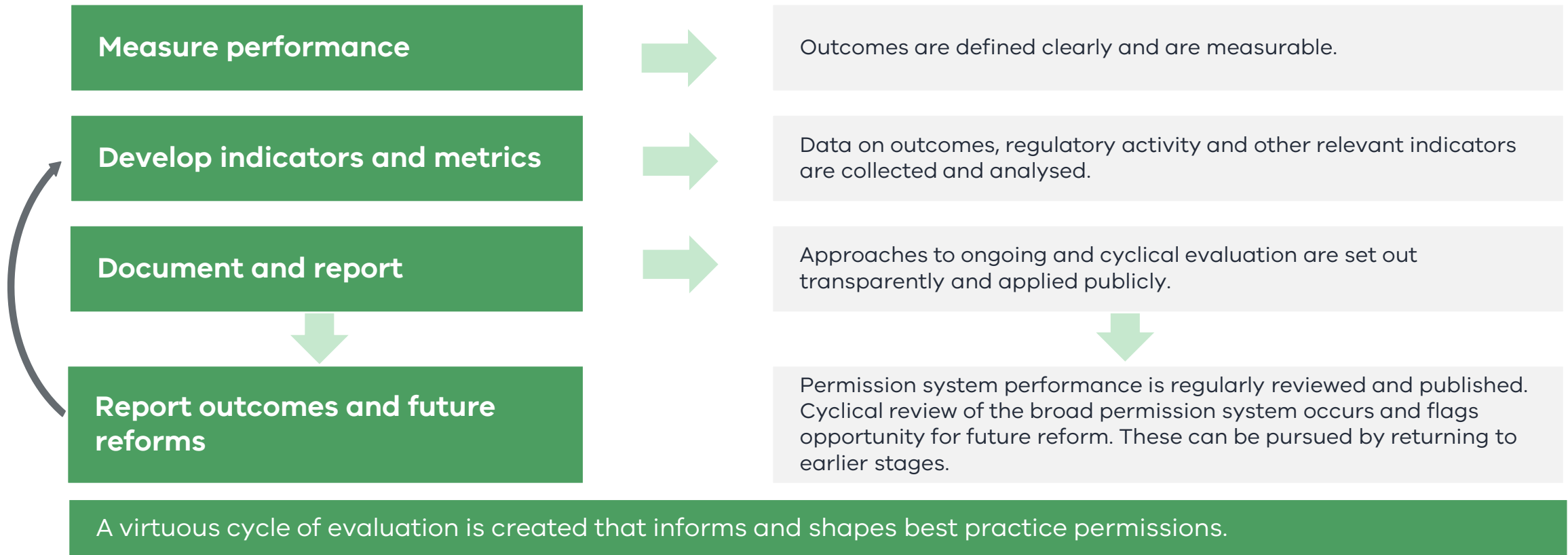
Examples - Reporting

Monitoring and evaluation indicators are reported in various ways:

- Regulator or department annual reports
- Formal public-facing reviews
- State Budget Papers (as required of departments and regulators under the Victorian Government [Resource Management Framework](#))
- Reports against Statements of Expectation

Stage 6: Reflection point

Having completed this stage, you will have set out how you plan to evaluate the performance of the permission. You will have developed an evidence-based cycle of evaluation so that the permission design and regulation remains best practice over time.



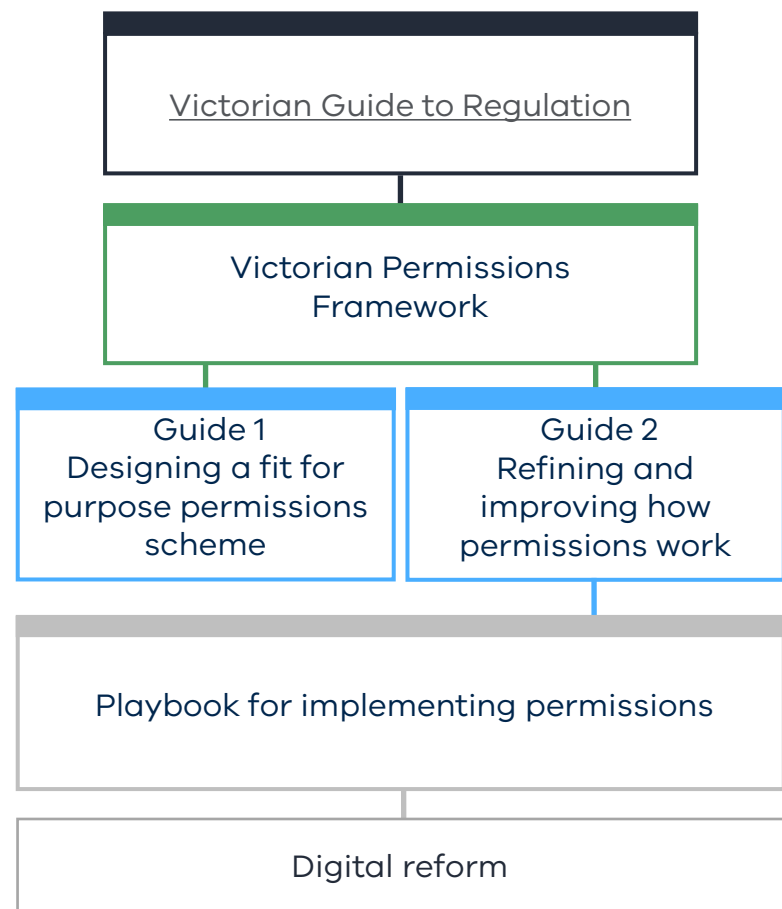
Appendix 1

Overview and templates

A central suite of resources to support consistent best practice use

Tailored, easy to use and accessible on the Better Regulation Victoria (BRV) website.

.....
●
BRV Towards Best Practice Guide
.....
●



The overarching policy guiding regulatory approaches: Guidance to determine and assess regulatory approaches when making regulations, including permissions.

.....

The role, design and administration of permissions: Framework to work through major policy changes that create or amend permissions; useful for routine reviews of legislation and regulation.

.....

The design and assessment of permissions: Guidance and criteria for designing, assessing and managing permissions. Guide 1 supports stages 1 to 3 and Guide 2 supports stages 4 to 6 of the Framework

.....

The implementation of permissions: The Playbook supports 'better practice' implementation enabled by digital reform. Opportunities will be provided for best practice, standardised Fit and Proper tests where appropriate.

.....

The digitisation of permissions: permission design needs to align with the Victorian Government's ambition to digitise its government services including permissions.

Victorian Permissions Framework

Summary of assessment – [insert subject title]

[Template]

Context

- Current regulatory arrangements and problems prompting review.

Conclusions and recommendations

- Outline key findings and proposals for reform.

Applying the Framework – Stages 1 to 3

Findings: Stages 1-3	Rationale
Stage 1 Understand problems	
Stage 2 Consider available tools	
Stage 3 Select permissions	

Applying the Framework – Stages 4 to 6

Findings: Stages 4-6	Rationale
Stage 4 Design features	
Stage 5 Administer effectively	
Stage 6 Evaluate outcomes	

Appendix 2 – Additional information

- A: Risk matrix
- B: Risk controls - pre-screening and condition setting
- C: Types of pre-screening tools
- D: Fit and proper tests
- E: Principles for drafting conditions
- F: Setting conditions
- G: Fee level and structure reform scenarios
- H: Sample KPIs for permissions

2A. Risk matrix

ADDITIONAL INFORMATION

Permanent or long-term serious harm with a large scale of impact. e.g. <ul style="list-style-type: none"> impairment or loss of ecosystem system function loss of human lives widespread exposure to harmful substances financial system failure 	Consequence	Severe	High	High	Significant	Significant
Serious harm but limited duration or scale of impact. e.g. <ul style="list-style-type: none"> security of significant food source threatened severe economic costs for small set of consumers workplace injuries resulting in hospitalisation 		Major	Medium	High	High	Significant
Medium level of harm over long period or with large scale of impact. e.g. <ul style="list-style-type: none"> local environment damage requiring remediation consumers unable to access essential services innovation will not be rapid 		Moderate	Medium	Medium	Medium	High
Low levels of harm imposed. e.g. <ul style="list-style-type: none"> slight increase in wait times for some services 		Minor	Low	Low	Medium	High

Risk level	Description
Significant	Risks that are very likely to occur and have major or severe impacts.
High	Risks that are less likely to occur but have major or severe impacts or are almost certain to occur with lesser impacts.
Medium	Risks with minor to moderate impacts that have potential to occur.
Low	Risks that are unlikely to occur and will have minor impact.

Unlikely	Possible	Likely	Almost certain
Likelihood			
Not likely to happen	May happen at some time	Expected to happen at some time	Expected to occur often

2B. Risk controls - pre-screening and condition setting

What is the appropriate balance of pre-screening and condition setting?

Pre-screening requirements and conditions are different ways of managing risks.

Pre-screening requirements establish barriers to entry while conditions set the level of oversight and control of permitted activities or operations. Using more of the former makes it 'hard to enter but easy to operate' while the reverse makes it 'easier to enter but harder to stay operating'.

The use of pre-screening and conditions need to be carefully considered, taking into account:

- Effectiveness – both pre-screening and conditions could help manage risk, although one may be more effective than the other
- Regulatory burden – pre-screening creates a burden for businesses in making an application and for the regulator in assessing applications, while using conditions create a burden for compliance and enforcement
- Practicality of enforcement – pre-screening may be more desirable if there is limited ability to revoke a permission once it has been granted.

A negative licence can exclude certain operators, as an alternative to pre-screening and applying conditions under a permission. In that case, a person does not need a licence to work in an industry, but they can be excluded on grounds prescribed by legislation.

If the Act limits powers to terminate permissions or issue penalties, it may be necessary to have more comprehensive pre-screening. However, in the longer term, consider reforming the Act to address this limitation.

The following slides explore pre-screening and condition setting in more detail

Examples – Risk control

- Child care service approvals under the national quality framework assess, amongst other things, the suitability of the premises and their site/location for operating a service.
- Risk control options for Authorities to Control Wildlife illustrate the need for careful balance. Demonstrating characteristics, such as holding a firearms licence, no prior firearms convictions and convictions for cruelty to animals, could be relevant for pre-screening. On the other hand, setting hurdle rates too high could prompt more illegal control of animals that is difficult to monitor and enforce.
- Pre-screening mining licences involves assessing whether the applicant is a fit and proper person, has an appropriate program of work, and is likely to be able to finance the proposed work and any rehabilitation. Pre-screening is intended to reduce the risk of harm before a mine is developed.

2C. Pre-screening for applicant characteristics

What types of pre-screening tools could be applied to applicants?

Pre-screening can include competency requirements and mandatory attributes. They should reflect characteristics of the permission holder or the product driving the risk.

Use existing or external processes (e.g. mutual recognition or third-party accreditation) where they are feasible, cost effective and meet your requirements. But only if:

- they are aligned well to your current and ongoing needs
- their assurance processes are sufficiently robust and
- they cover what you need.

You may not need to fully adopt an external process - some elements may be a good supplement.

Mandatory attributes are:

- minimum necessary characteristics required to obtain a permission e.g. identity, integrity, character, history and financial viability
- sometimes summarised or grouped through a **fit and proper test**, as outlined on the following slide
- sometimes scaled from low to increasing higher standards.

They can be an important when selling or providing products or services (e.g. Fit and Proper Test, financial viability). They can provide a screen for suitability in some occupations (e.g. schoolteachers).

Competency requirements are:

- skills and capacity of the permission holder to meet the requirements of the permission or indicators/drivers of the permission holder's likely ability to manage the risk
- either prescriptive requiring mandatory minimum skills or more flexible enabling permission holders to demonstrate competency through a combination of preferred skills (e.g. educational history, demonstration of meeting standards and historical performance)
- a strong focus in professions requiring minimum skills to undertake an activity. These can be general, such as broad education standards. They could demonstrate process/situation skills for more specific higher risk activities. They could be a combination that is tailored to permissions where they have both a mix of broad and specific requirements.

Refer to the [Playbook](#). Note this slide only focuses on applicant characteristics.

2D. Fit and proper tests

What are fit and proper tests and how can they be applied?

Fit and proper tests provide a method to effectively assess multiple pre-screening requirements through one process.

Integrated, digital fit and proper tests can simplify and streamline application processes and help reduce risks and costs of compliance and enforcement. They can include a range of considerations that often involve trade-offs being made:

- A low minimum requirement can be appropriate where there is low risk. As risks increase, this increases burdens within the regulator to specify more robust conditions and hence undertake more intensive compliance and enforcement activity
- High minimum requirements are unlikely to be appropriate for low risks, but used in the right context these may reduce reliance on intensive compliance and enforcement activity.

The following considerations will inform the most appropriate approach.

- In some situations, is it difficult to specify tests aligning with or predicting the likelihood permission holders will comply with conditions. For example, is it possible to identify relevant past compliance performance with other regulators to predict integrity? Are there qualifications that demonstrate relevant skills and knowledge (e.g. there is no degree in dairy manufacturing, but some understanding of science is useful).
- Where industry faces high compliance costs or it is difficult to monitor compliance (e.g. where permission coverage is more diffuse and actions and behaviours are hard to observe) a higher hurdle rate for holding the permission may be more appropriate.
- Where there is a high risk of non-compliance and the consequences of non-compliance are serious – it can be appropriate to be risk averse and set higher hurdle rates.

Consistent, standardised and digital fit and proper tests across regulatory regimes can enhance risk management and reduce regulatory burden for businesses and regulators. DTF is developing a *Fit and Proper Test framework* that includes support for:

- design that minimises harm with lowest burden to business, including legislative design
- administration that is effective, consistent and digital.

The [Playbook](#) also provides guidance on assessing suitability through fit and proper tests.

2E. Principles for drafting conditions

Complementary

- Avoid duplication with conduct rules, obligations of generic laws and does not contradict requirements imposed under other regulatory regimes.
- Conditions can facilitate targeted enforcement of sanctions (e.g. fines for condition breaches) and can be used to penalise poor compliance performance where other mechanisms are not available (e.g. partial suspension on operations, increased reporting requirements).

Targeted and transparent

- Those in the best position to manage risk are accountable and permission holders are clear about their responsibilities.
- Appropriate to the capability of the permission holder.

Clear and enforceable

- Clear to follow and compliance with conditions can be assessed and measured effectively.
- It is straightforward to determine if conditions have been breached.

Proportionate

- Custom conditions are only used for high-risk permissions where the operations or activities of entities are highly complex and/or diverse and standard or universal conditions would be either ineffective at reducing risks or create unreasonable burden.
- The number and intensity of conditions is proportionate to the level of risk and aligns with the chosen tier of permission.
- Compliance with conditions will be sufficient to reduce risks.

Adaptable

- A conditions library has been developed providing sufficient flexibility to apply an effective approach (prescriptive, process, and outcomes-based) to the form and manner of compliance requirements on permission holders, based on their capability and willingness to identify and manage their risks.

Lowest feasible burden

- The burdens created by compliance with conditions have been minimised. Consideration has been given to:
 - changes to the operations and activities required for an average permission holder to achieve compliance
 - pathways to achieving compliance that would be better aligned with existing business practices
 - unintended implications on businesses complying with conditions.

2F. Setting conditions – tailoring conditions to risk and maintaining a conditions library

Conditions should reflect the levels of risk that are regulated:

- Simple conditions can be **universal** and apply to all permission holders – this is usually where risks have common features across all permission holders. Universal conditions can be a helpful starting point to specifying conditions. More detailed and specific conditions can be appropriate as risks increase and more precision in their regulation is required.
- **Standard** conditions may be applied in specific circumstances or for a specific type of permission holder where they share commonalities – such as type of business, product and production system.
- **Customised conditions** are rarely required and should be only applied to manage high risks on a more individual bespoke or specific basis. This is appropriate when unique risks and circumstances are present and have significant consequences.

Consider managing the library of conditions as an asset

- As conditions are developed and evolve, they should be recorded in a digital library as a resource for the regulator and, if appropriate, permission holders. For example, EPA publishes its standard conditions for each type of permission including [permits](#).
- The library can then assist with the simplification of permission application processes and improve transparency.

Types of conditions

Universal

- Applies to all permission holders
- Are these enduring requirements that could be captured in regulation?

Standard




- May be imposed in certain circumstances or for specific sector
- Should be transparent, predictable and proportionate

Custom

- Applied to individual permission holder, site or activity
- Used to manage significant risks

- **Custom** - Mining licence – work undertaken must reflect the work program submitted with licence application. May be subject to conditions e.g. type of work, its timing and/or expenditure on the licence.
- **Standard** - Authority to Control Wildlife (ACTW) issued if applicant can demonstrate damage is occurring (e.g. to property, biodiversity values, or human health). Each ATCW specifies the species of wildlife that can be controlled and the method of control that can be used.
- **Universal** - Dairy distributor licence – e.g. comply with all relevant provisions of the *Food Act 1984* (Vic) and the Australia New Zealand Food Standards Code in the conduct of the dairy business and the processing, handling, packaging, storing or transporting dairy food.

2G. Fee level and structure reform scenarios

	Reform scenario	Cost recovery impacts	Pricing reform	Examples
<p>Consolidate</p> 	Multiple related permissions incorporated into a single permission with categories/tiers.	Likely unchanged. Possible minor reduction in costs if there are administrative efficiencies.	Set fees based on level of risk with each tier/category of the permission and associated level of regulatory effort to manage risk.	Liquor licence application fees are being remade using a four-tier risk hierarchy with further delineation within the hierarchy based on specific risk factors. This approach will reduce the number of application groupings from six to four and is projected to improve cost recovery.
<p>Reduce</p> 	Remove/lessen the requirements of some permissions and increase reliance on other regulatory/non-regulatory tools.	Administrative costs and licensing revenue might decrease. Costs for other regulatory activities such as inspections may increase.	If cost recovery impacts are minimal, pricing reform may not be necessary. If cost recovery impacts are significant, changes to fee structures may be necessary.	Replace permit with a registration and reduce fee. Renewal fees for some high-risk licences are raised slightly, reflecting the actual regulatory effort required to manage those risks.
<p>Remove</p> 	Remove permissions and use other tools such as notification, negative licensing, industry certification and voluntary codes.	Costs of administering the permission have been eliminated. However, permission fee revenue may also be foregone. Costs of other regulatory activities may change.	Consider whether the current level of cost recovery across the organisation is still feasible. If not, reform to this extent may require additional funding. Present options to achieve funding or revenue increases before proceeding with reform.	Remove licences, permits, and registrations and replace with a notification. Applying a fee to a notification would need to assess whether this can effectively recover regulator costs from all those that are required to notify. There are trade-offs involved. For example: <ul style="list-style-type: none"> the loss of revenue associated with those that do not notify could be greater or less than the costs of enforcing cost recovery the risks of non-compliance with notification requirements due to the fees involved.

2H. Sample permissions KPIs for regulators

Basic questions or indicators	Additional questions to develop the indicator further	Example measures of effectiveness	Quality indicators (qualitative or quantitative)
How many applications were received?	<p>Is pre-screening excluding unsuitable applicants?</p> <p>Did we efficiently stream applications by risk category?</p> <p>What do we know about entities operating without permission?</p>	<p># monthly applications received, as % of average monthly</p> <p>% assessments finalised within expected/statutory timeframes</p> <p>% approvals streamed as 'high' or 'low' risk (with level of assessment based on risk)</p> <p>resources applied to servicing 'failure demand' or rework</p> <p>% applications declined (and breakdown of reasons)</p>	<p>Staff assessment e.g. suitability of triage categories, ability to deliver well considered application reviews)</p> <p>Applicant assessment of timeliness, suitability of assessment category</p> <p>Stakeholder assessment on how well initial needs were met, whether rework was required</p>
How many times did we inspect permission holders?	<p>What was the compliance profile of these inspections?</p> <p>Does compliance inform permission assessments?</p>	<p># of proactive inspections</p> <p>% of inspections by type (e.g. extensive audit, overview, remote)</p> <p>% detecting a non-compliance, significance of non-compliance</p> <p>% voluntary compliance during inspection</p>	<p>Staff assessment e.g. value of work</p> <p>Staff satisfaction with 'making a difference' through the sites/issues actioned</p> <p>Regulated party views on if inspections/follow-up actions were justified and proportionate</p>
How many high consequence/ catastrophic events have occurred?	<p>What are the potential causes of these events? How can we measure these causes?</p> <p>What proxy indicators of 'at risk' situations can we obtain?</p> <p>How much has remediation of failures cost?</p>	<p># audits identifying failures that could lead to catastrophic events</p> <p># recurrence of near misses or other failures reported (complaints or self-reporting)</p> <p>Uptake of anonymous reporting schemes for near misses, as % of regulated population</p> <p>\$ cost of remediation to government, permission holder, others</p>	<p>Industry attitudes towards compliance and prioritising maintenance/monitoring etc.</p> <p>Examples of near misses or other failures</p> <p>Industry feedback on their internal quality management systems and how well local regulations recognise or promote these</p> <p>Public trust or social licence indicators</p>
How many permission holders report on time?	<p>Are settings to monitor performance working?</p>	<p>% reporting requirements met to required standard on time</p>	<p>Ability to use reported data to generate new insights</p>
How well do applicants know rules?	<p>How well do existing permission holders know and accept rules?</p>	<p>% accurate responses to informal knowledge assessment questions at application</p>	

Document version control

The Permissions Framework and two guides will be continuously improved as they are applied.

Version	Date	Description of changes
1	December 2023	Initial publication

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