

Public Health and Wellbeing Regulations Sunset Review regulatory impact statement

Chapter 2: Registered premises – infection control

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The following chapter is an extract of the regulatory impact statement for the proposed Public Health and Wellbeing Regulations (2019).

Information on infringements, consultation, implementation, evaluation and the exposure draft regulations are contained in the full regulatory impact statement available on the [Engage Victoria website](https://engage.vic.gov.au) <<https://engage.vic.gov.au>>.

This extract was prepared to assist stakeholders who access the report by accessing a specific category on the Engage website.

Introduction (and invitation to comment)

Overview

The Public Health and Wellbeing Regulations 2009 (the current regulations) were made under the *Public Health and Wellbeing Act 2008* (the Act) and are due to sunset on 15 December 2019. New regulations are needed to replace them.

The remaking process provides an opportunity to revisit whether regulations are still needed and, if so, whether there are ways to improve them.

Public health regulations provide a framework for businesses, councils and individuals to protect the health and wellbeing of Victorians. Understanding how these regulations, and any proposed changes, will impact on Victorian business and the Victorian community is critical to the effective operation of the regulatory framework.

The current regulations include several regulatory areas, and the subject matter varies widely. In some ways these regulatory areas are distinct in their nature; however, their overall objective gives effect to the Public Health and Wellbeing Act.

To the extent that the regulatory areas are different, the department consulted key stakeholders to ensure any issues were understood and the impact of proposed solutions would be acceptable. This preliminary consultation has informed the proposed regulations and a summary is provided in the 'Consultation' chapter.

Purpose and objective

Victorians enjoy one of the highest standards of health and wellbeing in the developed world. This could not be achieved without laws and regulations that protect and promote public health and wellbeing.

The Act

The current regulations were made under the Public Health and Wellbeing Act. The purpose of the Act is to provide a legislative framework that promotes and protects public health and wellbeing in Victoria.

The state has a significant role in promoting and protecting the public health and wellbeing of Victorians.

Public health and wellbeing includes the absence of disease, illness, injury, disability or premature death and the collective state of public health and wellbeing. Public health interventions are one of the ways in which the public health and wellbeing can be improved and inequalities reduced.

The regulations

As set out in the Public Health and Wellbeing Act, the aim of the regulations is to achieve the highest attainable standard of public health and to prevent disease and illness while minimising costs for regulated industries.

Public health regulations provide a framework for businesses, councils and individuals in the practical application of the Act.

The regulatory impact statement

The purpose of this regulatory impact statement is to provide information and analysis to review how these regulations, and any proposed changes, will affect Victorian business and the Victorian community and contribute to the effective operation of the regulatory framework for public health.

The current regulations are due to expire on 15 December 2019. New regulations are needed to replace them.

Preparation of the new regulations

Before new regulations are made, the *Subordinate Legislation Act 1994* requires completion of the following four steps shown in Figure 1.

Figure 1: The four steps of making new regulations



Preliminary consultation

The department undertook preliminary consultation with key stakeholders to inform development of the proposed regulations. The proposed regulations address a range of matters for giving effect to the Act and therefore different stakeholders were engaged on different matters.

A summary of the preliminary consultation that has occurred is provided in the ‘Consultation’ chapter of this regulatory impact statement.

Public consultation: regulatory impact statement, evaluation and implementation

This regulatory impact statement has been prepared to meet the requirements of the Subordinate Legislation Act, enabling public consultation on the proposed regulations. The regulatory impact statement presents the range of matters addressed in the proposed regulations in separate chapters. Each chapter includes the regulatory objective for the matters addressed in the chapter, an assessment of the costs and benefits of the proposed regulations and possible alternatives.

In most cases the regulatory impact statement considered and analysed three regulatory options: to remove all regulation, to remake the current regulations without change, or to strengthen the requirements set out in the current regulations. The extent of the analysis of the regulatory options varies but is consistent with the need for regulatory change. In most cases the recommended option for each regulatory area is to strengthen the current regulations.

Each of the regulatory areas included within the regulatory impact statement has a specific implementation plan that will support awareness and understanding of any changes, preparedness and compliance. Information about implementing the proposed regulations can be found in the ‘Implementation’ chapter.

The proposed regulations will operate for up to 10 years. Evaluation has a key role in ensuring the intended improvements of the proposed regulations (appropriately effective and proportionate) are borne out and align with government objectives on an ongoing basis. Each of the regulatory areas included within the regulatory impact statement has a specific evaluation plan. Information about the evaluation, including public consultation, can be found at the end of the regulatory impact statement.

The proposed regulations are included as an attachment to this document.

Consideration of submissions

Public comments and submissions will be considered before the new regulations are made.

Final decision

The decision to make or not to make the proposed regulations will be informed by the public comments and submissions received. Notice of the decision will be published as soon as practicable after the decision has been made.

Small business impact and competition assessment

Small businesses may disproportionately experience the impacts from regulatory requirements for a range of reasons, including relatively limited resources to interpret compliance requirements or to keep pace with regulatory changes, and the cumulative effect of different requirements.

Most of the proposed regulations propose simplified and streamlined regulatory definitions and requirements compared with the current regulations, particularly where stakeholder feedback has raised issues about ambiguity of the intention of regulations. Any regulatory proposal needs to be scrutinised carefully to assess whether it is having an adverse impact on the ability of firms or individuals to enter and participate in the market. In line with the *Victorian guide to regulation*, new legislation (both primary and subordinate) needs to demonstrate that it will not restrict competition, unless benefits of the restriction outweigh the costs and the objectives of the legislation can only be achieved by restricting competition.

In instances where restrictions on competition have been identified, the benefits of the restriction outweigh the costs and the objectives of the legislation can only be achieved by restricting competition. For example, the registration of a premises by local government for the purposes of infection control standards creates an additional cost for starting a health and beauty service business. However, this cost is offset by the reduced risk of disease in the community and the reduced risk of an infectious disease outbreak.

Structure of the regulatory impact statement and the proposed regulations

This regulatory impact statement and the proposed regulations have grouped the regulations according to either how the regulations are administered or the regulation's purpose in the Act. These are broadly grouped into:

- regulations administered by councils
- regulations administered by the department
- regulations related to managing and controlling infectious diseases, micro-organisms and medical conditions
- other regulations.

Regulations administered by councils

- Vector-borne infectious disease control
- Registered premises – infection control
- Aquatic facilities

Regulations administered by the Secretary to the Department of Health and Human Services

- Cooling tower systems
- Legionella risks in certain premises (water delivery systems)
- Pest control

Management and control of infectious diseases, micro-organisms and medical conditions

- Notifications of infectious diseases, micro-organisms and medical conditions
- Closed court orders for prescribed diseases
- Immunisation and exclusions – schools and childcare
- Escort agencies providing information to sex workers and clients

Other regulatory provisions

- Prescribed senior officers (Chief Health Officer delegations)
- Tissue donations
- Consultative councils.

What isn't included in this regulatory impact statement

The Public Health and Wellbeing Act

The Public Health and Wellbeing Act is the legislation under which these regulations are made. The matters that can be set out in the regulations are confined to what is required under the Act. The requirements under the Act are not the subject of this review, only the details set out in the regulations. During the process of the review and consultation it is likely that potential improvements to the Act may be identified, but that is not the focus of this regulatory impact statement.

Public Health and Wellbeing Regulations relating to prescribed accommodation

Regulations relating to prescribed accommodation will not be considered within this regulatory impact statement (rr. 13 to 27). Separate new regulations relating to prescribed accommodation will be made in 2020. In the interim, the operation of the prescribed accommodation regulations will be extended in their current form for 12 months to allow further time for review and consultation.

The extension of the prescribed accommodation regulations provides an opportunity to separate regulations relating to prescribed accommodation from the other regulations made under the *Public Health and Wellbeing Act 2008*. It is intended that the extended prescribed accommodation provisions will be contained in the renamed 'Public Health and Wellbeing (Prescribed Accommodation) Regulations 2009' and will operate separately from the proposed Public Health and Wellbeing Regulations 2019.

Public Health and Wellbeing Regulations relating to HIV testing

The Public Health and Wellbeing Act prescribes special requirements for HIV testing and these requirements are included in the 2009 regulations. The need to review and modernise these requirements is an issue that a range of sector stakeholders have been raising for some years. Overwhelmingly, the sector has supported a repeal of relevant sections of the Act relating to pre and post HIV testing. The Victorian Parliament recently passed the Public Health and Wellbeing Bill 2019 to repeal the HIV testing specific provisions (ss. 131 and 132) on the basis that they stigmatise people with HIV and are outdated. As a result, the prescribed regulations will not need to be made.

Invitation to comment

In accordance with the *Victorian guide to regulation*, the Victorian Government seeks to ensure that proposed regulations are well-targeted, effective and appropriate, and impose the lowest possible burden on Victorian businesses and the community.

The regulatory impact statement process involves assessing regulatory proposals and allows members of the community to comment on proposed regulations before they are finalised. Such public input provides valuable information and perspectives and improves the overall quality of regulations.

The Public Health and Wellbeing Regulations 2019 (the proposed regulations) will replace the Public Health and Wellbeing Regulations 2009 (the current regulations). A copy of the proposed regulations is published with this regulatory impact statement.

Public comment is invited on the regulatory impact statement and the proposed regulations.

The consultation period is 60 days. Please note that all comments and submissions received will be treated as public documents.

Submission deadline

Comments and submissions should be received by the Department of Health and Human Services no later than 5.00 pm, Monday 30 September 2019.

How to make a submission

Preferred method

The [Engage Victoria website](https://engage.vic.gov.au) <<https://engage.vic.gov.au>> is the preferred method for receiving submissions. The website includes specific questions for each regulatory area and allows for additional feedback to be provided.

Email

If you are unable to use the preferred method above, submissions can be received by [emailing the department](mailto:phwa.enquiries@dhhs.vic.gov.au) <phwa.enquiries@dhhs.vic.gov.au>.

Post

If you are unable to use the preferred method above, submissions can be received by post marked 'Submission to the Review of the Public Health and Wellbeing Regulations 2009' and addressed to:

Chief Health Officer
Regulation, Health Protection & Emergency Management
Department of Health and Human Services
GPO Box 4057
Melbourne VIC 3001

Where can I obtain copies of this regulatory impact statement and the proposed regulations?

Copies of this regulatory impact statement and the proposed regulations can be obtained from the [Engage Victoria website](https://engage.vic.gov.au) <<https://engage.vic.gov.au>>.

How can I be updated on the progress of the review?

The [Engage Victoria website](https://engage.vic.gov.au) <<https://engage.vic.gov.au>> enables you to register to receive updates on the progress of the review of the current regulations.

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This extract was prepared to assist stakeholders who access the report by accessing a specific category on the Engage website. This is not intended to limit the scope of submissions; the department welcomes submissions from all interested parties.

Chapter 2: Registered premises – infection control

Problem analysis

Certain non-healthcare-related industries and services have the potential to expose the public to communicable diseases and infection. Examples include beauty therapies, cosmetics application, colonic irrigation, hairdressing, tattooing, and skin-penetrating procedures.

The requirements in the regulations provide for a registration process and minimum standards. These are designed to ensure:

- premises, skin-penetrating items and other equipment are in good condition
- hygiene and hand-washing facilities are available
- the type of information provided and kept supports infection prevention and control.

It is essential that procedures involving skin penetration, and therefore risk of blood contamination, are undertaken safely. Ear and nose piercing are examples of the most common forms of body modification, or the physical altering of one's appearance for cosmetic purposes, involving skin penetration.

Hazard

Unsafe and unhygienic practices in hair, beauty and skin-penetration businesses can expose clients to infections. Any breach of the integrity of skin increases a person's vulnerability to infection because pathogens can enter the body through cuts, abrasions or lesions, or through sharp or abrasive objects penetrating the skin. Some procedures may put clients at risk of conditions such as head lice or fungal infections.

A more serious risk is the potential for a blood-borne disease such as hepatitis B, hepatitis C or HIV to spread through blood-to-blood contact from procedures that pierce the skin such as piercing and tattooing.

Exposure

The common element in the five classes of business required to be registered under the *Public Health and Wellbeing Act 2008* is that people are exposed to the penetration of the skin either routinely when seeking services for tattooing, skin penetration or beauty therapy, or accidentally during colonic irrigation and hairdressing. Ear and nose piercing are examples of the most common forms of body modification involving skin penetration. Any breach of the skin gives rise to vulnerability to infection, particularly where blood is drawn. Common complications from piercing and other body modification procedures include localised or systemic infection, excessive scarring, excessive bleeding and reactions to materials inserted for piercings or implantations.

Vulnerability

There may be limited specific vulnerabilities identified for customers of these premises. Vulnerable groups in general are more likely at risk but there are no specific vulnerable groups targeted by registered premises regulations.

Further details on specific risks associated with different types of services in registered premises can be found in the appendix.

Industry trends

The tattooing, body piercing, hairdressing and beauty service industries have all expanded over the past five years. The hairdressing and beauty service industry in Australia is forecasted to grow at an annualised rate of 1 per cent over the next five years, reaching revenues of \$5.2 billion in 2023.¹ The sector is expected to continue to grow over the next 10 years due to cultural trends such as:

- the increasing popularity of these high-value services
- growing image consciousness among men
- the increasing popularity of male-only barbers and salons
- growth in household discretionary income
- an increasing trend in health consciousness.

IBISWorld's industry reports consider the hairdressing and beauty service industry to be in a mature phase. Revenue is expected to grow at the same pace as the economy, with significant price-based competition limiting profitability. The market share concentration is low, and the industry is highly fragmented, with numerous, small independent operators. Wages are the highest share of costs for the industry (57.3 per cent);² purchases of products and tools represent the second highest share of costs (21.1 per cent).³

Emerging beauty and health services

The expansion of the beauty and cosmetic industry has also seen the emergence of certain cosmetic procedures and extreme body modification practices. The issues associated with these emerging treatments and practices are discussed below, including considerations of an appropriate regulatory framework and the limited scope of the regulatory impact statement, further information on the scope of infection control standards for registered premises can be found in the appendix.

How will the regulations respond to emerging issues such as high-risk cosmetic treatments and extreme body modification practices?

What is the issue?

There is a range of emerging cosmetic procedures and other high-risk practices that are not clearly regulated by the current legal framework, but that pose risks and concerns to consumers and regulators. These include, but are in no way limited to, cosmetic procedures involving blood products or restricted substances, the use of lasers, subdermal implants and extreme body modification, and are frequently not performed by registered health practitioners. They are sometimes undertaken in registered premises but are not explicitly included as covered by registered premises regulations. There have been suggestions received about how the Public Health and Wellbeing Regulations could potentially address this issue, including whether the business premises where these procedures are carried out be subject to registration under the Public Health and Wellbeing Act.

What is currently covered by registered premises?

The scope of the application of registered premises is primarily set out in the Act rather than the regulations. The Act establishes that registration applies to businesses conducting beauty therapy, hairdressing, skin penetration and tattooing, amongst others. In the Act, the definitions of skin penetration, beauty therapy and hairdressing all specifically exclude any surgical or medical procedure. Surgical or medical procedures are defined as performed by a registered medical practitioner or a nurse or midwife, or by a person under the supervision of a registered medical practitioner or a nurse or midwife. This exclusion reflects that the infection control risks associated with the procedures are subject to other regulatory controls that are more appropriate to the risks involved (for example, health practitioner regulation under the *Health Practitioner Regulation National Law (Victoria) Act 2009*).

¹ IBISWorld Industry Report S9511, Hairdressing and Beauty Services in Australia, November 2017

² Ibid.

³ Ibid.

Who regulates registered premises for what purpose?

Councils regulate registered premises under the Act for the purposes of infection control and minimising the risk of disease transmission. The Public Health and Wellbeing Regulations set out the registration requirements and require compliance with infection control standards. Environmental health officers operate from local councils and are responsible for conducting inspections of premises; they are trained in infection control standards. They do not assess the risk of harm from surgical or medical procedures.

What other considerations do we need to address?

Suggested changes to the scope of the application of registered premises to explicitly capture these high-risk practices would require amendment to the Act rather than the Regulations. This would impose an obligation on business to comply with standards and requirements that apply to registered premises to regulate their conduct.

However, the challenge with amending the legislation to attempt to capture these high-risk practices is that consideration would need to be given to identifying the appropriate target for regulatory intervention. This could be the registered premises, but could also be the high-risk procedure, the conduct of the service provider, or the safety of products and equipment.

In some cases, it may be necessary to determine who is best placed to regulate and enforce these practices or operators. For example, environmental health officers may not be the most appropriate agent to undertake risk assessments for the use of lasers or intense light sources in beauty therapy. The department considers that national bodies such as the Therapeutic Goods Administration would be best placed to regulate unauthorised use of unlicensed products, and multiple overlapping regulators may be involved in other scenarios.

Who else may be involved in regulating these practices?

Many other regulators and legislative frameworks are engaged in the oversight of safety standards of specific procedures or the operation of their providers, or the products involved. Regulators and legislative frameworks may encompass private hospitals, medicines and poisons, radiation safety, as well as national regulatory and professional bodies such as the Therapeutic Goods Administration.

The Health Complaints Commissioner has a key role in regulating general health services. A code of conduct sets standards for all general health service providers not regulated by Australian Health Practitioner Regulation Agency and provides grounds for the Health Complaints Commissioner to take action against those who are not compliant. For example, the Health Complaints Commissioner has issued prohibition orders against cosmetic service providers regarding cosmetic surgical procedures.

What can we do in the draft regulations?

It is noted that the regulatory uncertainty in relation to the capturing of certain high-risk procedures may in part be due to the definitions in the Public Health and Wellbeing Act, which is outside the scope of this review of the regulations.

In the consultation process, the department is seeking comment in relation to these current exposure draft regulations rather than this specific issue.

It is intended that, in the first instance, these regulations will provide clarity about the scope of registration, advertising and information provision to clients that will address some of these concerns about regulating these procedures while further work is undertaken.

What next?

As these practices and the ways in which they are undertaken are continually evolving, following the remaking of the regulations, the department will examine appropriate legislative options to respond to these emerging issues. As part of this, the department will consider the roles and functions of the overarching regulatory and oversight mechanisms that operate in this domain. The department will also investigate whether existing systems and guidance could be strengthened to better support compliance and enforcement, provide clear avenues for recourse

and to reinforce safeguards. The department is committed continue to investigate these matters further and consult with key stakeholders.

Objective of the regulations

The objective of the regulations is to create environments and behaviours that prevent infectious disease being transmitted within Victorian personal care and body art businesses through prescribing standards and requirements for these businesses.

These regulations contribute to achieving the highest attainable standard of public health and preventing disease and illness. There are various other regulators involved in regulating health and beauty services in Victoria, further information on these are in the appendix.

Requirements of the regulations

These regulations relate to:

- Divisions 3 and 4 of Part 6 of the Public Health and Wellbeing Act, including ss. 68 and 69, which provide for the following classes of businesses to be registered with local government:
 - beauty therapy, colonic irrigation, hairdressing, skin penetration, tattooing
 - other businesses, as prescribed in the regulations, that pose a risk to public health (currently no other businesses are prescribed)
- s. 235(c) of the Act, which allows for regulations to be made in respect of certain registered premises matters.

Businesses conducting services specified in the Act must be registered with the local council covering where the premises are located.

The regulations specify standards and requirements for these businesses, aiming to protect the public from the risk of contracting certain infectious diseases. The prescribed requirements relate to the condition of the premises, the condition of skin-penetrating equipment and other articles used to provide services, practitioner or operator's personal hygiene, hand-washing facilities and information management. To help businesses to comply with the regulations, the department publishes the *Infection prevention and control guidelines for hair, beauty, tattooing and skin penetration businesses*.

The regulations exempt certain businesses because the infection control risk of these businesses is regulated through the professional standards maintained by health practitioners (such as doctors), health services regulations and other regulatory agencies. More details about the history of the regulation and the approach of other jurisdictions is outlined in the appendix.

Options

- Option 1: Retain the current regulations without changes
- Option 2: Amend some aspects of the current regulations
- Option 3: Remove or reduce the requirements of the current regulations

The options under consideration are constrained by the requirements in the Act. The Act requires certain classes of businesses to be registered for the purposes of managing the risks to public health.

Option 1: Retain the current regulations without changes

The regime provides oversight of infection control risks in registered premises and a mechanism to intervene in the event of an outbreak or evidence of noncompliance and increased risks to public health.

The regulations specify standards and requirements for these businesses, aiming to protect the public from the risk of contracting certain infectious diseases.

The regulations exempt certain businesses because the infection control risk of these businesses is regulated through other policy mechanisms described above. More details about the history of the regulation and the approach of other jurisdictions is outlined in the appendix.

Minimum standards to address infection control risks of registered premises

There are currently 11,244 registered premises within Victoria across 79 councils. Of these, 4,875 have ongoing registration, while the remaining 6,369 premises are subject to periodic renewal. The Act requires higher risk businesses including tattooing and body piercing services to renew their registration at least every three years however, most councils under powers in the Act require annual renewal and perform annual compliance inspections before approving renewals.

The current regulations require the operator of a registered premises to ensure it is kept in a clean, sanitary and hygienic condition. This is assessed and registered by the relevant local council.

Cleaning and sterilisation

The *Health guidelines for personal care and body art industries* provide advice on infection prevention and control measures recommended for these industries. The regulations stipulate:

- Any article must be clean before it is used on a person or sterilised if used for the purposes of skin penetration.
- Any articles that have penetrated the skin or been contaminated with blood must be destroyed or disposed of immediately or sterilised before reuse.

Sterilisation is defined in the regulations as being thoroughly cleaned and rinsed then sterilised through: steam at a specified pressure and for a specified length of time; dry heat at a specified temperature and time; or taken from a sealed container that bears a label stating that the contents are sterile.

Personal hygiene and hand-washing facilities

The regulations require that anyone undertaking activities requiring registration or similar must be in a 'clean condition' and not have any 'exposed cuts, abrasions or wounds' before carrying out the process. All staff within a registered premises must have easy access to hand-washing facilities. The department's *Infection control guidelines for hair, beauty and skin penetration industries* provide detailed recommendations regarding hand hygiene including when it is appropriate to use an alcohol-based hand rub. These recommendations are guidance only.

Information to be provided and stored

As part of enhancing public awareness of infection risks, clients who receive tattooing, ear piercing, body piercing, or any other skin-penetration procedure must be provided with written information about the risk of infectious diseases associated with the process that is accurate and not misleading.

Businesses that provide tattooing or body piercing must ensure the name, address and telephone number of each client is recorded and stored at the premises for 12 months following the procedure. These record-keeping requirements are designed to support contact tracing in the event that a blood-borne illness is linked to the premises.

Reduced requirements for registrations of hair and makeup businesses

In 2014 the Public Health and Wellbeing Act was amended to allow businesses providing only hairdressing and temporary makeup application services to obtain 'ongoing' registration. This reflected the lower risk for infectious disease transmission associated with these businesses.

Hair and makeup businesses are still required to comply with health and hygiene standards in the regulations, and compliance is still monitored and enforced by local councils. However, the premises are registered only once before starting operations with subsequent inspections conducted by councils based on their assessment of risk.

Regulations provide oversight of infection control risks in registered premises

The regulations provide a broad range of powers for local government oversight such as the power of entry, and the power to enforce breaches.

For low-risk settings, this allows for local government regulators to intervene early to direct businesses to put in place the infrastructure and practices generally understood to decrease risk.

For higher risk settings, the additional requirement for periodic renewal of registration provides the opportunity for local government regulators to ensure these businesses are maintaining good practices, continuing the practice of sterilising or disposing of contaminated supplies, providing information and keeping records.

Regulations provide an avenue for remedial action following infection or outbreak

The regulations also provide a method of recourse that local government can use to have the Chief Health Officer exercise their powers to take actions to prevent public health risks. This removes the need for local governments to engage and justify intervention with the department.

Local governments are well placed to make decisions about infection control in their municipality. Environmental health officers have a strong understanding of local factors and have ongoing relationships with businesses and facilities through their municipalities.

Option 2: Amend some aspects of the current regulations

The department considers that, while the existing system provides an effective approach to controlling infection risks in registered premises, there are opportunities to clarify the requirements and meet emerging trends that may be risks to public health.

A total of 85 per cent of environmental health officers who responded to a stakeholder survey said improvements could be made to the registration process, in particular promoting the fact that councils assess infection control standards as part of registration, and this is not an endorsement of the practice or practitioner.

The measures listed in Table 2.1 are expected to require minor changes to practice, either to improve the ability of local government regulators to enforce good practice, or to align with contemporary infection control practices.

Table 2.1: Proposed regulatory amendments

Proposed amendment	The purpose of the proposed amendment is...
2.1 Create a penalty for false advertising in relation to registration	... to discourage the misuse of registration to imply that registration provides an assessment or endorsement of practices, or the quality of practices of a business beyond the scope of infection control.
2.2 Require a notice about the scope of registration be displayed (registration applies to infection control standards)	... to further clarify that registration is an endorsement of the businesses' infection control standards and not of the standards or safety of the procedures undertaken by the business.
2.3 Simplify the requirements relating to access to hand-washing facilities and clarify	... to provide greater clarity regarding the intention of regulations.

Proposed amendment	The purpose of the proposed amendment is...
that best practice infection control for personal service hygiene requires the use of drinking water.	
2.4 Amend time and temperature specifications for dry heat sterilisation	... to align with national standards and provide more flexibility for businesses using dry heat sterilisation.
2.5 Require records of skin penetration (expansion from only tattooing and body piercing)	... to improve public health outcomes due to increased capacity to conduct contact tracing in the event of a blood-borne illness, or of an outbreak.
2.6 Amend the requirement to provide information to clients about the risks and safeguards associated with the process so that it is in a form approved by the Secretary. (tattooing, ear piercing, body piercing or other skin penetration process).to ensure that information provided to clients is accurate, consistent and not misleading.
2.7 Introduce infringement penalties for certain offences to address the gap between existing measures used to achieve compliance and to provide a proportionate response to address noncompliance (including public health risk) in certain situations.
2.8 Introduce exemption to registration for mobile cosmetic application services other than the principle place of business	... to minimise additional burden for low public health risk services that are already subject to requirement at the principal place of business.

2.1 Create a penalty for false advertising in relation to registration

Following consultation, stakeholders raised concerns about the advertising practices of registered premises. The concern is that some premises may mislead or imply that registration provides an assessment and endorsement of practices, or of the quality of practices beyond the scope of infection control.

There is currently a regulation relating to advertising and prescribed accommodation. It is proposed that a similar provision be made for registered premises, such that a proprietor or occupier of a registered premises must not state or cause to be stated in any advertisement, notice or sign issued or put up in relation to the business, that the premises were registered or approved for any class of business other than that set out on the certificate of registration. The penalty associated with a breach of this requirement is proposed to be 20 penalty units and be enforceable by local government. This will provide an appropriate disincentive, proportionate to the average size of the businesses in this industry.

2.2 Require a notice about the scope of registration be displayed (registration applies to infection control standards)

Further to this, it is proposed that a new regulation be included to require a notice to be displayed on the premises that sets out that the registration applies to infection control standards and not to the standards or safety of the procedures undertaken. This provides greater clarity for the consumer.

2.3 Clarify the requirements relating to access to hand-washing facilities

The regulations set out requirements for hand-washing facilities at registered premises – that they must be ‘easily’ accessible to staff. Consultation has identified that the term ‘easily’ is subject to interpretation and dispute. There have been anecdotal reports by local government that some businesses consider communal existing hand washing facilities to meet the requirements of easily accessible hand washing. In some cases, these facilities may be a long distance away from the activities of the registered premises, and it is unlikely these are sufficiently utilised as part of hygiene requirements.

While local government makes the assessment of accessible hand-washing facilities, considering the procedures and design of the premises, the department's infection control guidelines⁴ recommend that hand washing facilities should be placed: where staff work and where procedures are performed; where staff clean equipment and instruments; and, in or close to toilets.

To provide greater clarity to operators and regulators, it is intended that the regulation relating to hand-washing facilities sets out simply that they are 'accessible'. The department has also identified that best practice infection control should require the use of drinking water to be used for personal service hygiene. This is assumed to be already in place in most registered premises. These two requirements more closely align the intention of the regulations with their purpose.

2.4 Amend time and temperature specifications for dry heat sterilisation

As an addition to the process of dry heat sterilisation, it is proposed to align the regulations with current Australian Standards about sterilising reusable medical devices (for which sterilisation of instruments used in body piercing or tattooing premises must comply).

These changes are to require sterilisation to include (excerpt from regulations):

Thoroughly cleaned and rinsed, then sterilised using dry heat:

Proposed	Current
(i) at 160°C for a minimum of 120 minutes or (ii) at 180°C for a minimum of 60 minutes	at 160°C for a minimum of 120 minutes

Complying with the Australian Standards for reprocessing medical devices (AS/NZS 4185 and AS/NZS 4187) is not specified in the regulations. However, particular physical parameters (time/temperature/pressure relationships) are specified. These must be met for sterilisation to be achieved. The change proposed to the dry heat sterilisation parameters will bring the regulations in line with those currently specified in the Australian Standards. As such, it will offer proprietors who use a dry heat sterilisation method another time and temperature specification that can be used for sterilising instruments and equipment.

2.5 Require records of skin penetration (expansion from only tattooing and body piercing)

Only tattooing and body piercing services must currently maintain client records. However, like tattooing, skin-penetration procedures also carry a risk of infectious diseases. Record keeping enables contact tracing to occur in the case of any incidence of disease.

Case study illustrating the use of records to determine a public health response

'John', 50-year old man, presented to his general practitioner with complaints of 'dark' urine. The general practitioner, suspecting possible liver disease, ordered blood tests. The results suggested a hepatitis C infection – a blood-borne virus transmittable via skin penetration.

The department was notified of the test results, as required by the Public Health and Wellbeing Regulations.

Once informed, the department's Communicable Disease Prevention Team carried out interviews with John to identify the possible risk factors that could have led to his infection. During the interview John revealed that he had received a tattoo in the previous year.

The Public Health and Wellbeing Regulations require premises providing tattooing services to maintain records of procedures performed on clients for a period of 12 months.

⁴ Infection prevention and control guidelines for hair, beauty, tattooing and skin penetration industries, Department of Health and Human Services, April 2019

Environmental health officers visited the premises and determined that the premises had demonstrated infection prevention and control measures to satisfactory levels. The record keeping at the premises was also reviewed to ensure that, if it had been required, other clients could have been contacted.

It is intended that regulations be amended to also capture all businesses involving skin penetration. Ear-piercing and dry needling would be exempted from this because these businesses are considered lower risk skin-penetration practices adequately managed by existing infection control standards.

2.6 Amend requirement to provide information to clients about risks and safeguards associated with the process (such as skin penetration) so that it is in form approved by the Secretary

The regulations currently require that before the process, the proprietor or occupier at a registered premises that provides tattooing, ear piercing, body piercing, or other skin penetration process must provide written information to the client about the transmission of infectious disease. The proprietor or occupier must also take reasonable steps to ensure the information is not misleading. This information supports informed consent by the client.

It is intended that the regulations be amended to require the provision of written information to be in a form approved by the Secretary to the department. This will:

- ensure accurate information about the infection control risks and safeguards associated with the process is provided to clients
- provide clarity and certainty to proprietors and occupiers about the type of information that must be provided to clients
- ensure consistent messaging and information.

On the basis the proposed amendment is designed to ensure the provision of accurate information to clients, it is intended that the current requirement to ensure the information is not misleading is removed.

2.7 Introduce infringement penalties for certain offences

To address the gap between existing measures to achieve compliance (such as education and notices) and prosecution, it is intended that certain offences be enforced by way of an infringement notice, also known as infringement offences). This approach provides a proportionate and graduated response and a practical means of addressing noncompliance (including moderate levels of public health risk). For example, where lower level approaches have not been effective, and prosecution is not a proportionate response. Please see chapter 13 for a list of proposed infringement offences.

As is currently the case, education, routine monitoring and assisted compliance (making sure businesses are aware of, and understand, the requirements) will form the primary means of achieving compliance with the regulations.

2.8 Introduce exemption to registration for mobile cosmetic application services other than the principal place of business

This amendment will remove duplicative regulatory burden on mobile cosmetic application services, considered to be low risk services in the Act, that are already subject to registration requirements at the principal place of business. This exemption is based on the service not providing skin penetration or tattooing.

Option 3: Remove or reduce the requirements of the current regulations

In the absence of regulations, people would most likely continue to access services for hair, beauty and skin penetration in Victoria, using premises that advertise themselves to be competent. In the absence of minimum standards for registration, market forces (such as reputation to provide for customer referrals and repeat business), common law (such as negligence for poor-quality work resulting in loss) and after-the-fact interventions by the

department would continue to provide incentives for operators to maintain some form of standards to address infection control risks so that they may remain commercially viable.

There would also be a negative licensing system in effect where premises that are discovered to be a risk to public health are shut down, via the Chief Health Officer, to prevent further impacts on public health. For issues with certain service providers in a premises, there may be additional recourse options available through the Health Complaints Commissioner or the Australian Health Practitioner Regulation Agency.

There are increased risks to public health with operating such a system. These relate to reduced minimum standards, impeded oversight of ongoing operations and ineffective remedial actions. The department expects that such a system would lead to an increase in infectious diseases from these personal service businesses and that the department would have less ability to respond in the event of an infection or outbreak.

Reduced minimum standards to address infection control risks of registered premises

Infection control regulations have been in place in Victoria since the 1800s; for example, there was the Royal Commission into the Sanitary Condition of Melbourne in 1890. As such, it is expected that the general population would expect, and businesses would provide, minimum conditions for services in registered premises. However, over time standards often decrease, particularly for low-profit services where there would be a chance to increase profits by decreasing resources spent on best practice infection control processes.

The practice of cleaning items before use would most likely continue, as this is an observable requirement to maintain the reputation of a business conducted at a registered premises. However, requirements for articles intended for penetrating the skin may not be adequately followed because it is difficult to observe the sterilisation process and would require clients to adequately understand and assess this process. However, the department is aware that some businesses do demonstrate hygiene and cleanliness by opening sealed packets of supplies in front of clients before performing skin-penetration services. The regulations state that any article to be used for skin penetration must be sterile at the time of use and any article used that penetrates the skin or is contaminated with blood be disposed of immediately or sterilised before reuse. In a negative licensing situation, there would be reduced incentives to undertake thorough sterilisation, beyond what is observable to the client, and avoid intentionally destroying or disposing of materials that could be reused to reduce material costs.

The requirements for easily accessible hand-washing facilities may not be as closely followed. Putting hand-washing facilities in place requires additional upfront costs to modify a premises beyond a standard retail or commercial fit out, or the operator may not understand the public health risk and consider the risk of infection to be so minor that existing hand-washing facilities (such as communal bathroom washing facilities) can be used, in contradiction to the department's best practice guidelines.

Impeded oversight of businesses providing services with infection control risks

Without a mechanism for local government to enforce standards provided by the regulations (minimum standard requirements must be met to receive registration), there would be limited ability for a local government to intervene to halt poor infection control practices until after these practices have adversely impacted on several peoples' health and a connection had been made to the business as the source.

Without a standardised register against a premises, there is also the risk that certain operators could phoenix their operations (create a new company to continue the business of a company that has been liquidated to avoid paying liabilities). They would do this to continue conducting a business with poor infection control standards at the detriment of the broader public.

Impeded or ineffective remedial action following infection or outbreak

Without the direction to retain information records, there is a reduced ability to inform clients about a potential blood-borne disease transmission risk, or the spread of other diseases. Information records are an important part of the contact tracing process. Without these records, the department must rely on broader public communication methods such as requesting potential clients come forward or seek testing. Both are less effective methods than being able to directly contact the client.

Impact analysis

The section reviews the regulatory options described above and identifies the benefits from preventing disease and the costs to stakeholders to maintain and enforce the options described. For clarity, some technical details relating to the impacts are contained in the appendix sections at the end of the chapter.

These options will be assessed against four criteria:

- health impacts associated with the spread of infectious disease (weighted 40 per cent)
- potential economic impacts due to the reputation of registered premises (weighted 10 per cent)
- cost of the regulations on the industries regulated by registered premises (weighted 40 per cent)
- costs to local government to enforce the regulations (weighted 10 per cent).

These weightings reflect the importance of public health in the objectives of the Act and equally weight the benefits and costs. All options have been assessed against a base case of no regulations.

Impacts of option 1: Retain the current regulations without change

There is an inherent infectious disease risk associated with the services of registered premises and contribute to the burden of disease in Victoria. The potential impacts from infectious diseases are outlined below. Following this, the costs and impacts of the regulations are outlined.

Burden of disease

Infection prevention and control is important so that registered premises do not transmit a disease or infection to employees or clients. Infections result from cross-contamination, which happens when the equipment and the premises are not kept clean and/or sterile. The business must ensure that clients and employees are safe from infection. The cost of having good infection control practices is small compared with the cost of infecting someone. A theoretical example is outlined below.

The department estimates the average costs for skin infections for a patient in Victoria as follows:

- Treating a **simple** skin infection is estimated to cost \$101 and occurs in about in one in 1,000 services.
- Treating a **moderate** skin infection is estimated to cost \$3,552 and occurs in about in one in 10,000 services.
- Treating a **severe** skin infection is estimated to cost \$13,734 and occurs in about in one in 100,000 services.⁵

The impact of skin infections could be higher if there are medical complications or if a person or carer is required to take time off work to recover from an infection.

The department does not have evidence of the actual rate of infection in registered premises. This a theoretical example of the potential burden of disease and how reducing regulations by removing minimum standards demonstrates the potential broader public health costs. Using generalised risk management ratings, the department estimates the likelihood of infection from a service at a registered premises to be 0.1 per cent for a simple skin infection, 0.01 per cent for a moderate skin infection and 0.001 per cent for a severe skin infection. This risk may be higher for services such as tattooing and colonic irrigation or lower for hairdressing and general nail salon services. Types of risks are outlined in the appendix.

The department's estimates of the potential burden of disease in a single year are shown in Table 2.2.

⁵ Details on how burden of disease has been calculated and assumptions can be found in Appendix: [Burden of disease](#)

Table 2.2: Burden of disease – theoretical example in Victorian context

Item	Number or cost
Registered premises – both ongoing (low risk) and periodic (high risk)	11,244
Services per year (assume 10 per premise per day)	41,040,600
Number of simple skin infections (0.1 per cent chance per service)	41,041
<i>Treatment cost</i>	<i>\$101</i>
Burden per year from a simple skin infection	\$4,145,101
Number of moderate skin infections (0.01 per cent chance per service)	4,104
<i>Treatment cost</i>	<i>\$3,552</i>
Burden per year from a moderate skin infection	\$14,577,621
Number of severe skin infections (0.001 per cent chance per service)	410
<i>Treatment cost</i>	<i>\$13,734</i>
Burden per year from a severe skin infection	\$5,636,516
<i>Total burden of skin infections from services</i>	<i>\$24,359,238</i>
Net present value	\$24,359,238

Extrapolating this calculation over 10 years provides a net present value figure:

Total net present value of potential burden of disease from registered premises in Victoria (over the next 10 years): \$243,908,822 over 10 years (in 2019 dollars)⁶

The costs attributed to the current regulations (option 1) relate to efforts, above what would be undertaken in the base case (absence of regulations), to ensure cleanliness, sterilisation and that information is provided and stored.

These costs can be broken down into:

- costs to industry to meet these requirements (Table 2.3)
- costs for local government to regulate registered premises
- fees paid by industry (a requirement of the Act).

An indicative impact assessment for industry to meet these requirements is as follows.

Table 2.3: Current regulations (option 1) – description of impact

Risk	Type of registration	Requirement	Additional effort required above the base case (removal of regulations)	Estimated impact
Both low and high risk	Ongoing and periodic	Provide prescribed information at registration of business.	All additional effort.	Minor time cost to fill out the registration form – 2 minutes to complete basic personal information at initial application.

⁶ Details on how burden of disease has been calculated and assumptions can be found in the appendix: Burden of disease, and additional details in the technical appendix.

Risk	Type of registration	Requirement	Additional effort required above the base case (removal of regulations)	Estimated impact
Both low and high risk	Ongoing and periodic	Premises must be kept in a clean, sanitary and hygienic condition.	Nil.	Nil.
Both low and high risk	Ongoing and periodic	Easily accessible hand-washing facilities are available for use by staff.	Install hand-washing facilities if considered not to be accessible.	Majority of premises – expected negligible impact because hand-washing facilities are generally installed in the main business area. Minority of premises – installation of additional accessible hand-washing facilities. Cost dependent on existing plumbing and premises design.
Both low and high risk	Ongoing and periodic	Persons engaged in providing a service is in a clean condition (including hands) and has no exposed cuts, abrasions or wounds.	Nil.	Nil.
High risk	Periodic	Skin-penetrating equipment must be: <ul style="list-style-type: none"> sterile disposed or sterilised if contaminated cleaned before use. 	Provide evidence of equipment being sterile, disposed of and cleaned.	Majority of premises – expected negligible impact. Minority of premises – increased cost for equipment sterilisation, disposal and cleaning.
High risk	Periodic	Written information, that is not misleading, must be provided directly to the client about the transmission of infectious diseases associated with the process.	All additional effort.	All high-risk premises (6,369 premises as at February 2018) – production and provision of materials directly to client. Minor cost to print information and provide to client. Information expected to be sourced from the department or from accurate publicly available resources.
High risk	Periodic	Every client's name, address and telephone number are recorded and stored at the premises for 12 months.	All additional effort.	All premises conducting tattooing must complete a client detail form and maintain a register. Minor time cost to record information into register.

The costs of administering the requirements of the Act and the regulations for registered premises are borne by local government, with partial cost recovery from the regulated industry.

Based on surveys of local government, the department estimates the minimum costs for the regulatory regime as:

Total net present value minimum costs for local government to regulate registered premises (over the next 10 years): \$15,529,633

Fees for 12 local government municipalities across Victoria were sampled for both low and high-risk services, and the mid-point was used as the average fee. Numbers of registered premises were collected from a census of all local governments in Victoria. A further survey of environmental health officers estimated the time allocated to

inspections, renewals, compliance and public awareness activities. Data on wages and inflation is estimated using applicable sources from the Australian Bureau of Statistics.⁷

The department estimates that approximately 89 per cent of these costs are recovered through fees on industry. Specific circumstances within a local government municipality will vary depending on the approach and decisions of the local government – the fees charged, and the intensity of regulation will vary across municipalities. The department estimates the fees charged for registered premises as:

Total net present value of fees for registered premises, charged by local government and paid by industry (over the next 10 years): \$13,974,881

It is important to note that these fees are paid by industry as part of requirements in the Act to be registered by local government. That is, it is the Act that imposes this cost on business. These costs are not attributed to the regulations but are provided for reference and in recognition of the contribution of industry towards the functioning of the regulatory regime. Local government information was acquired using the same sources for the costs to local government. Data on wages and inflation is estimated using applicable sources from the Australian Bureau of Statistics. Industry-specific trend information was sourced from an industry research report by IbisWorld.⁸

Impacts of option 2: Amend some aspects of the current regulations

The expected costs and benefits to clarify and amend the existing requirements (option 2) are shown in Table 2.4.

Table 2.4: Proposed amendments (option 2) – description of impact above the status quo (option 1)

Proposed amendment	Benefit	Cost
2.1 Create a penalty for false advertising in relation to registration	Improved public awareness of the scope of the regulations, so that customers understand registration is a requirement and not a marker of quality of procedures beyond the scope of infection control.	The cost of 20 penalty units upon breach of the regulations (\$3304.40 as at 1 July 2019). The number of premises currently undertaking false advertising in relation to registration is currently unknown.
2.2 Require a notice about the scope of registration be displayed (registration applies to infection control standards)	Improved public awareness of the scope of the regulations, to further clarify that registration is a requirement and not a marker of quality of procedures beyond the scope of infection control.	Negligible cost to display a notice, intended to be rolled out upon renewal of premises at the discretion of local government.
2.3 Simplify the requirements relating access to hand-washing facilities and clarify that best practice infection control for personal service hygiene requires the use of drinking water.	Better hygiene practices by businesses.	Majority of premises – expected no impact. Minority of premises – installation of accessible hand-washing facilities. Cost dependent on existing plumbing and premises design and functions, estimated at between \$500 to \$2000.
2.4 Amend time and temperature specifications for dry heat sterilisation	Improved standards for infection control, in line with national standards and more flexibility for businesses using dry heat sterilisation.	Reduces costs for businesses using dry heat processes for sterilisation.

⁷ More information about how the costs for government to regulate registered premises were calculated can be found in Appendix: [Cost for government](#).

⁸ Details on how fees for industry have been calculated can be found in Appendix: [Cost for industry](#).

Proposed amendment	Benefit	Cost
2.5 Require records of skin penetration (expansion from only tattooing and body piercing)	<p>Improved public health outcomes due to increased capacity to conduct contact tracing in the event of a blood-borne illness, or of an outbreak.</p>	<p>Cost for all premises conducting skin penetration – complete a client detail form and maintain a register.</p> <p>Minor time cost to record information into the register, estimated to be 2 minutes per client to record basic personal information.</p> <p>Potential privacy impacts for customers who want to use these services without providing these client details.</p>
2.6 Amend the requirement to provide information to clients about the risks and safeguards associated with the process so that it is in a form approved by the Secretary. (tattooing, ear piercing, body piercing or other skin penetration process).	<p>Ensure the provision of accurate information about the transmission of infectious disease.</p> <p>This may save some businesses from designing their own form.</p>	<p>Negligible cost to provide information in a form approved by the Secretary to clients.</p>
2.7 Introduce infringement penalties for certain offences	<p>Addresses the gap between existing measures to achieve compliance.</p> <p>Provides proportionate response and a practical means of addressing noncompliance (including public health risk) and encouraging compliance.</p>	<p>Proprietors who receive an infringement notice will incur the cost burden.</p> <p>However, is expected that:</p> <ul style="list-style-type: none"> • infringements can be used where there are compelling grounds, such as where lower level approaches have not been effective or moderate levels of risk • compliance will continue to be primarily achieved through education, compliance monitoring and assisted compliance. <p>The department expects that the quantum of noncomplying proprietors that would receive infringements is expected to be relatively low.</p>
2.8 Introduce exemption to registration for mobile cosmetic application services other than the principal place of business	<p>Reduce burden for low public health risk services that are already subject to requirement at the principal place of business.</p>	<p>Reduced regulatory burden for low risk registered premises that conduct mobile cosmetic application services, in addition to services at their principal place of business.</p>

The total net present value of fees and local government costs are expected to be broadly similar to option 1. Registered premises without accessible handwashing facilities and registered premises that conduct skin penetration without recording client details would incur additional costs. It is not expected that costs to local government will change significantly.

Impacts of option 3: Remove or reduce the requirements of the current regulations

There are increased risks to public health with operating such a system. These relate to reduced minimum standards, impeded oversight of ongoing operations and ineffective remedial actions. The department expects that such a system would lead to an increase in infectious diseases from these businesses and that the department would have less ability to respond in the event of an infection or outbreak.

Reduced minimum standards to address infection control risks of registered premises

Infection control regulations have in place in Victoria since the 1800s; for example, there was the Royal Commission into the Sanitary Condition of Melbourne in 1890. As such, it is expected that the general population would expect, and businesses would provide, minimum conditions for services in registered premises. However, over time standards often decrease, particularly for low profit margin services where there would be a chance to increase profits by decreasing resources spent on best practice infection control processes.

The practice of cleaning items before use would most likely continue, as this is an observable requirement to maintain the reputation of a business conducted at a registered premises. However, requirements for articles intended for penetrating the skin may not be adequately followed because it is difficult to observe the sterilisation process and would require clients to adequately understand and assess this process. However, the department is aware that some businesses do demonstrate hygiene and cleanliness by opening sealed packets of supplies in front of clients before performing skin-penetration services. The regulations state that any article to be used for skin penetration must be sterile at the time of use and any article used that penetrates the skin or is contaminated with blood be disposed of immediately or sterilised before reuse. In a negative licensing situation, there would be reduced incentives to undertake thorough sterilisation, beyond what is observable to the client, and avoid intentionally destroying or disposing of materials that could be reused to reduce material costs.

Impeded oversight of businesses providing services with infection control risks

Without a mechanism for local governments to enforce standards provided by the regulations (minimum standard requirements must be met to receive registration), there would be limited ability for a local government to intervene to halt poor infection control practices until after these practices have adversely impacted on several peoples' health and a connection had been made to the business as the source.

Impeded or ineffective remedial action following infection or outbreak

Without the direction to retain information records, there is a reduced ability to inform clients about a potential blood-borne disease transmission risk, or the spread of other diseases. Information records are an important part of the contact tracing process. Without these records, the department must rely on broader public communication methods such as requesting potential clients come forward or seek testing. Both are less effective methods than being able to directly contact the client.

As most premises have already fitted hand-washing facilities, removing this regulation may gradually see new businesses not install hand-washing facilities in line with best practice infection control practices.

Over time, the absence of regulations would adversely contribute to poor public health outcomes in the population. Hand hygiene is considered one of the most important infection control measures for reducing the spread of infection. While removing the regulations may not immediately increase public health outcomes, it would be expected to gradually result in worse health outcomes through a greater burden of illness from infections, gastroenteritis and other diseases associated with poorer hygiene and sanitation. This would be expected to have cost impacts for the population through increased expenditure for health costs and lost output from absences from being unable to work. At the extreme end of the scale, there would also be increased outbreaks of illness in the community that may require intervention by the Chief Health Officer and the shutdown of specific businesses until hygiene and sanitation can be improved.

Avoided economic impacts from an outbreak attributed to a registered premises

The benefits of avoided outbreaks are expected to contribute to avoided reductions in economic activity due to the reputation impacts of outbreaks. The hairdressing and beauty services industry faces a high level of competition due to the large number of existing businesses. These businesses compete on price, service, reputation and loyalty. There is anecdotal evidence that there are businesses that seek registration by local government to provide clients with a signal that the business is adhering to minimum standards of service relating to infection control and hygiene.

Conversely, actions by government (either state or local government) regarding outbreaks associated with a registered premises can have a negative economic impact. Given the variability of the practices of individual businesses, premises fit-out and services provided, an estimate is unlikely to provide an accurate representation of the economic costs for a registered premises associated with an outbreak; however, these costs are expected to be relatively high for the business and local community. Other similar businesses may also be affected if public trust in registered premises is reduced.

For example, in recognising the potential economic impacts, the City of Melbourne employs several environmental health officers to respond to potential outbreaks (including food safety). This highlights the potential reputational impacts and subsequent loss of tourism for the City of Melbourne if the municipality was associated with a high number of outbreaks.

Lower costs for registered premises

As noted above, registered premises spend upwards of \$1.5 million per year complying with the regulations. In the absence of regulations, the department expects that most would maintain similar standards; however, a minority of registered premises may opt for lower costs by reducing these standards. There would be fewer costs associated with registration and reporting.

Option 3 (removing all regulation) would most likely see increased outbreaks attributed to registered premises and consequently increased economic impacts (decreased avoided economic impacts). Options 1 and 2 are expected to decrease economic impacts (increase avoided economic impacts).

Proposed approach

In option 3 (the base case), removing regulations relating to registered premises is expected to have a negative impact in Victoria by increasing the burden of disease from registered premises. Adopting the base case option will potentially:

- negatively impact on the Victorian population by increasing the likelihood of infections from services in registered premises
- negatively impact on the Victorian economy by increasing the likelihood of an outbreak of infection from services in registered premises in a population centre, causing closure of businesses and potentially affecting the reputation of similar businesses across Victoria
- positively impact on the operations of registered premises in the short term because there is greater flexibility to reduce servicing and hygiene standards (within a margin that is hard to identify by consumers). It would also positively impact on local government in the short term it would have greater flexibility to allocate other services instead of the regulation of registered premises (however, local government recover a majority of regulatory costs through registration fees, this is outlined in the appendix).

In options 1 and 2, both maintaining the current regulations and amending the regulations would be expected to have a positive impact on the health outcomes of the Victorian population by reducing the likelihood of infections from services in registered premises from poor hygiene and cleanliness practices. By reducing ambiguity, option 2 is expected to be marginally better at improving health outcomes and improving hygiene and cleanliness practices. Both would have a positive impact on Victoria by providing regulatory oversight mechanisms to reduce the economic impacts of an outbreak and mitigate the potential reputation impacts for other similar businesses.

However, options 1 and 2 would have a negative impact the operations of registered premises, which in the absence of regulations may choose less rigorous cleaning and hygiene practices. Option 2 is expected to marginally increase costs for registered premises relative to option 1 due to increased requirements for certain skin penetration operations and a minority of operators that may need to install additional accessible handwashing facilities.

As outlined in the impact assessment, the following criteria are used to assess the options:

- health impacts associated with the spread of infectious disease (weighted 40 per cent)
- potential economic impacts due to the reputation of registered premises (weighted 10 per cent)
- cost of the regulations on the industries regulated by registered premises (weighted 40 per cent)
- costs to local government to enforce the regulations (weighted 10 per cent).

These weightings reflect the importance of public health in the objectives of the Act and equally weight the benefits and costs. Multiplying the scores (–10 to +10) by the weightings gives a total possible score between –10 and +10 for each option (see Table 2.5).

Table 2.5: Analysis of options regarding regulating registered premises

No.	Option	Health impacts Score / weight	Potential economic impacts Score / weight	Cost for registered premises Score / weight	Cost for local government Score / weight	Total (range: –10 to +10)
1	Retain the current regulations without changes	+6 / 0.4	+5 / 0.1	–4 / 0.4	–2 / 0.1	1.1 (2.4 + 0.5 + –1.6 + –0.2)
2	Amend the regulations	+8 / 0.4	+5 / 0.1	–5 / 0.4	–2 / 0.1	1.5 (3.2 + 0.5 + –2 + –0.2)
3	Base case – remove or reduce regulations	0 / 0.4	0 / 0.1	0 / 0.4	0 / 0.1	0

The department expects that, in the absence of regulations, the burden of disease would increase under option 3. Option 1 would maintain the existing level of disease burden, and option 2 would be expected to reduce the disease burden. Due to the devolved nature of this regulation as well as the inability to attribute population health disease burden to specific registered premises, the department does not have accurate estimates of the level of improvement that option 2 would provide. However, option 2 is expected to improve clarity of the requirements for registered premises and the public and increase the regulatory burden in certain circumstances.

The department’s preferred option is option 2: Amend some aspects of the current regulations.

This maintains the structure of the existing system, with strengthened requirements and amendments to improve the clarity and intention of the regulations.

This option builds on and enhances the current regulatory framework regarding registered premises. The department considers that the public health benefits of infection control and the avoided economic impact and public confidence contribute positively to Victoria.

Appendix

Risks associated with each type of registered premises

Beauty therapy procedures

Infections such as staphylococcal, herpes virus and fungal infections may be spread during beauty therapy procedures that do not involve skin penetration such as:

- facials and cosmetic application– reusing cloths or equipment and not cleaning equipment in between clients can lead to skin infections
- hair removal – reusing equipment can spread infections; there’s potential for blood-borne viruses if blood is drawn
- eyelash extensions and tinting – failure to use an aseptic non-touch technique may increase the risk of conjunctivitis
- manicures and pedicures – poorly cleaned, disinfected or sterilised instruments or equipment can lead to fungal, yeast and bacterial infections. Foot spas used in pedicures have been associated with a bacterial outbreak of non-tuberculous mycobacteria.

There is potential for cross-contamination between clients if body fluids are captured on equipment and not effectively removed. It is essential that staff understand the principles of infection prevention and control to ensure diseases are not spread during the procedures they undertake. There have been cases of *Staphylococcus aureus* after receiving fake eyelashes and an outbreak of cutaneous infections caused by *Mycobacterium fortuitum* after using whirlpool foot baths for pedicures.

Beauty therapy case study

A mother contacted a council regarding her daughter, who had had eyelash extensions. Over the weekend, a rash appeared around the eyes, and on Monday she was diagnosed with a bacterial skin infection.

The council’s environmental health officer inspected the premises, finding:

- The processes did not allow staff to access a hand wash basin.
- The equipment washing area was unclean.
- The technician’s process was unsatisfactory.
- There were poor infection control procedures.
- The technician’s process may have contaminated the eyelash before it was applied.

Following the inspection, the environmental health officer determined that enforcement action was needed. The business was prevented from undertaking its eyelash application process until the environmental health officer were satisfied that infection control procedures were in place.

The environmental health officer worked with the business to ensure it complied and developed long-term improvements in its procedures.

The environmental health officer continued to have ongoing regular visits to the premises to ensure compliance with the Public Health and Wellbeing Regulations.

If regulations regulating registered premises were not in place, the council would not have had powers to enter, inspect, or to provide directions to remedy the infection control issues in the premises.

Tattooing and other skin penetration

Tattooing and other skin-penetration procedures (body piercing, tongue splitting, scarification, beading) all have the potential to draw blood and risk transmission of hepatitis B, C and HIV through blood-to-blood contact.

There are no public health reporting requirements for infectious complications associated with tattooing. The most common complications resulting from tattooing are skin infections and allergic reactions to the ink. In a systemic review of tattoo-associated bacterial infections bacterial contamination of tattoo inks, inappropriate hygiene

measures within tattoo parlours and non-medical wound care were identified as the major risk factors for tattoo-related infections. Contaminated tattoo ink can cause illness and was linked to an outbreak of skin infections caused by *Mycobacterium chelonae*, a non-tuberculous mycobacterium, in New York.

The tattoo removal process has potential for local allergic reactions, paradoxical darkening of tattoos and surface changes on the skin such as scarring.

Hairdressing

Although the risk is minimal, unsafe or unhygienic practices such as not cleaning equipment in between clients can lead to skin infections on the scalp, face and neck such as impetigo ('school sores') and fungal infections such as tinea capitis and ringworm. Using contaminated razors and scissors poses a small risk of blood-borne virus transmission.

Colonic irrigation

Colonic irrigation involves cleansing the entire colon from the rectum to the caecum through administering water, herbal solutions, enzymes or other substances. Clients are at risk of infection due to: inadequately cleaned and disinfected or sterilised equipment; equipment failures relating to heating and backflow of fluids; and physiological impacts.

History of regulation

Regulatory powers administered by local government

Victoria's 79 local councils monitor and enforce health and hygiene standards on registered premises to prevent and control infectious disease risk. In early 2018 there were 11,244 registered premises under the Public Health and Wellbeing Act.

Environmental health officers within local councils carry out measures to protect public health, including administering and enforcing relevant legislation. The role entails a broad spectrum of public health issues including food safety, public health nuisances and implementing disease control. Many of these measures to protect public health are enforced by the Public Health and Wellbeing Act and the Public Health and Wellbeing Regulations.

Councils generally inspect premises for compliance before issuing or renewing registration. Councils have the power to issue, refuse, renew, suspend or cancel registration and authorised officer powers to enter, inspect and close premises and to take samples.

Infection control standards in registered premises

Standards and requirements for registered premises are set out in the regulations for the:

- condition of a premises
- condition of equipment (including sterilisation requirements)
- personal hygiene of staff (no exposed cuts, abrasions or wounds)
- use and accessibility of hand-washing facilities
- provision of infectious disease information to clients (skin-penetration businesses only)
- retaining of client records (tattooing and skin-penetration businesses only) – details such as names and addresses must be available in case clients need to be followed up.

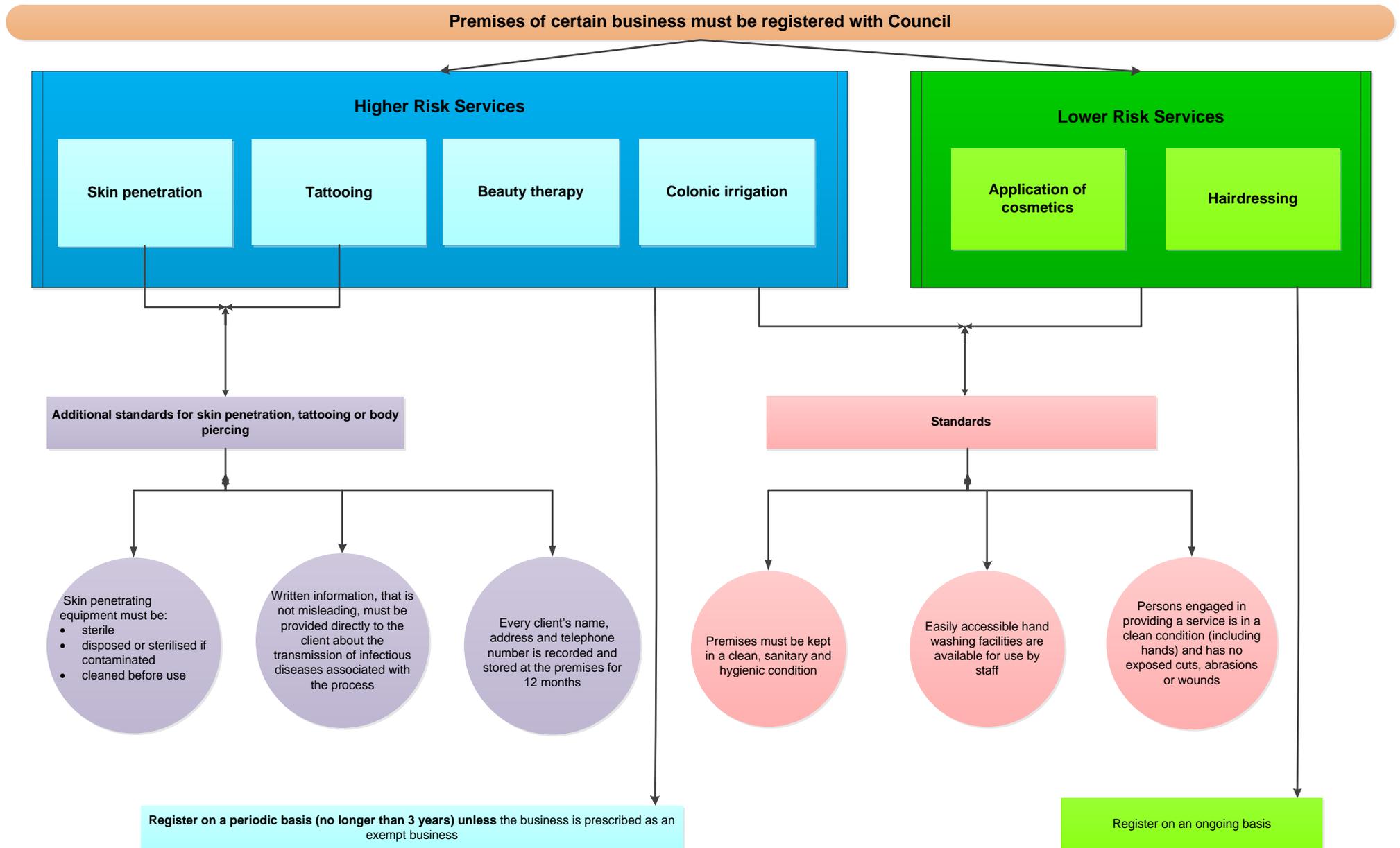
Infection control guidelines

The Department of Health and Human Services' *Infection control guidelines for hairdressing, beauty therapy and skin penetration businesses* provide guidance for the sector. The guidelines assist the hair care, beauty tattooing and skin-penetration industries to comply with the Public Health and Wellbeing Act and associated regulations.

It is not intended to replace industry-specific guidelines or codes of practices and does not cover every new treatment but provides general infection control advice. The guidelines should be used as a guide to comply with hygiene standards for premises and as a reference tool for people associated with the industry, including environmental health officers in local government.

Figure 2.1 shows the current regulatory regime for registered premises in Victoria.

Figure 2.1: The current regulatory regime for registered premises in Victoria



Scope of infection control standards for registered premises

Many new services offered in the beauty industry increasingly blur the line between 'beauty therapy' and health treatments. For example, many hairdressing and beauty services have expanded to include laser hair removal, microdermabrasion, chemical peels and dermal fillers. Details about emerging practices and overlaps within the regulatory environment include body modification, medical supervision and lasers.

Body modification

Evolving practices of businesses increases public health risk and individual health risk due to the lack of regulation of these practices. The current regulations focus on the infection control risks, not the risks associated with the procedures themselves.

Reflecting on the 2018 survey of environmental health officers, respondents reported receiving only eight enquiries regarding emerging procedures (body modification and platelet rich plasma therapy, for example). Officers provided data that only five such premises were registered in 2018.

Medical supervision and the interaction with registered premises

Some practices within these industries are undertaken by registered healthcare professionals and are therefore regulated by professional bodies outside of the public health framework. Many procedures, however, are performed by people who are not regulated by certified professional bodies. Additionally, developments in information technology have resulted in some providers implementing medical supervision in an entirely remote capacity via online communication tools, limiting the extent of effective input by medically trained staff.

Further, some salons and 'skin clinics' have relationships with local plastic surgeons, general practitioners and dermatologists to assist in providing these procedures; for example, Botox injections. This trend can result in a complex intersection of regulations and regulatory authorities and cause confusion about roles, responsibilities and requirements.

Lasers used for health services

In Victoria there are no requirements for laser operators to be trained, and those who are, have often only completed short courses in laser safety that are run by the manufacturer of the laser device as a prerequisite for liability cover. Under the regulations, local government environmental health officers are assessing the infection control risk of laser and intense pulsed light treatment that is assessed. Local government staff are not trained or qualified to assess radiation safety or risk. This can cause confusion for the public because there is often an assumption that if a premises is registered with council, then all risks relating to procedures have been assessed by that council.

Lasers and intense pulsed light treatments have been used for cosmetic purposes for decades. Due to initially high setup costs the practice was predominately available through medical practitioners, but recent technological advancements have seen prices for basic machines drop significantly. Consequently, beauty therapy premises have been entering the market and using laser intense pulsed light for a widening range of treatments. This change in business dynamics has coincided with an increased demand for tattoo removal services, resulting in the proliferation of specialised laser clinics.

Approaches in other Australian jurisdictions

While sharing some similarities, the approach to registered premises differs significantly between the states.

New South Wales

Only skin-penetration businesses are required to notify the local government authority for the area in which the premises are located. These include acupuncture, tattooing, ear-piercing, hair removal or the penetration of a mucous membrane) and includes any procedure declared by the regulations to be a skin-penetration procedure. This does not include:

- any procedure carried out by a registered health practitioner or by a person acting under the direction or supervision of a registered health practitioner, in the course of providing a health service
- any procedure declared by the regulations not to be a skin-penetration procedure
- hairdressing and other body decorating and grooming practices that do not deliberately pierce the skin.

Colonic lavage is declared to be a skin-penetration procedure, while laser hair removal is declared not to be a skin-penetration procedure.

Queensland

Queensland separates 'higher risk' and 'non-higher risk' personal appearance services. Higher risk personal appearance services include body piercing, implants, scarification, tattooing and tattoo removal.

Non-higher risk personal appearance services include ear and nose piercing (with a gun), hairdressing, beauty therapy (facial or body treatments, application of cosmetics, manicure or pedicure, application or mending artificial nails and epilation including by electrolysis or hot or cold wax).

Higher risk personal appearance services must register with the local council and pay a fee, while non-higher risk personal appearance services are only required to notify council within 30 days of opening. All businesses must comply with relevant legislation. Queensland requires operators undertaking higher risk activities to have an infection control qualification.

Lasers are regulated under the *Radiation Safety Act 1999*.

Western Australia

Similar to New South Wales, in Western Australia, businesses *proposing to perform skin-penetration procedures* are required to notify the local government of their registered trading name and business address, and the types of procedures they are planning to perform. Skin penetration in Western Australia is defined as a procedure that incorporates the skin being cut, punctured, torn or shaved or a mucous membrane being cut, punctured or torn including tattooists, body piercers, acupuncturists and beauty therapists performing waxing, shaving, tweezing and electrolysis. Medical practitioners, dentists, a person under the supervision of a medical practitioner, podiatrists, nurses and any others registered with the Australian Health Practitioner Regulation Agency are exempt from registration with council. The Radiation Safety (General) Regulations 1983 are used to regulate lasers.

South Australia

Unlike Victoria, there are no provisions in the South Australian legislation that require certain premises to be registered due to public health concerns. Instead, there is a general duty under the *South Australian Public Health Act 2011* to prevent or minimise any harm to public health resulting from business activities. Some South Australian councils require certain business to be registered; others do not. There does not appear to be a consistent approach. The *Guideline on the safe and hygienic practice of skin penetration* assists relevant authorities and operators of premises where the practice of skin-penetration procedures such as acupuncture, tattooing, micropigmentation, body piercing, waxing, electrolysis, manicures, pedicures and other hair removal/beauty therapies are undertaken. For the purposes of this guideline, skin-penetration practices may include any process, whether intentionally or otherwise, that involves the shaving, piercing, cutting, puncturing or tearing of the skin or a mucous membrane.

Tasmania

Under the *Public Health Act 1997*, the director, by public notice, may require that any premises or class of premises in which a 'specified public health risk activity' (any activity that may result in disease transmission) is carried out must be registered. An application to register can be lodged with the relevant council and accompanied with the applicable council fee. *In addition to premises registration, operators are required to obtain a licence from council. There is no minimum competency required to obtain a licence.* Using a laser for hair removal or skin rejuvenation is regulated under the *Radiation Protection Act 2005*. There are guidelines for tattooing, acupuncture and ear and

body piercing, with enforceable provisions under *Public Health Act 1997* as well as recommendations and guidance.

Other regulators involved in regulating health services in Victoria

When responding to public complaints, or as part of the inspection process, environment health officers may conclude that the issue is out of the scope of the Public Health and Wellbeing Regulations. During 2018, council officers referred matters to a number of agencies including the following:

Victoria Police

There are additional legal requirements to protect young people in relation to tattooing, scarification, tongue splitting, branding, beading and body piercing. Victoria Police enforces the *Summary Offences Act 1966*. It states:

- A person must not perform tattooing scarification, tongue splitting, branding, beading and intimate body piercing on people under the age of 18 years.
- A body piercer must not perform non-intimate body piercing on someone under the age of 16 years without the consent of a parent or guardian.
- A body piercer must not allow a person under the age of 16 years to perform intimate body piercings.

Australian Health Practitioner Regulation Agency (AHPRA)

AHPRA's operations are governed by the Health Practitioner Regulation Law, and its role is to support the 15 National Boards responsible for regulating health professions. The primary role of the National Boards is to protect the public by setting standards and policies all registered health practitioners must meet, including for infection control.

Health Complaints Commissioner

The Health Complaints Commissioner is an independent and impartial service that resolves complaints about health care and the handling of health information in Victoria. The Health Complaints Commissioner can also investigate matters and review complaints to help health service providers improve the quality of their service. Any health service provider, whether it is an organisation or person, can be investigated by the Health Complaints Commissioner. This includes both registered and 'general' or 'non-registered' providers. These providers can also be required to be registered under the Public Health and Wellbeing Regulations.

General health service providers are those who are not legally required to be registered under national health practitioner regulation law. The 'general code of conduct' became Victorian law on 1 February 2017. The code sets standards for general health providers and extends to registered providers operating outside their area of registration. Any breach of this code may be grounds for a complaint to the Health Complaints Commissioner and a formal investigation. The Health Complaints Commissioner can issue prohibition orders including interim prohibitions order pending full investigation. Prohibition orders in force in other states and territories will be recognised in Victoria.

Consumer Affairs Victoria

Consumer Affairs Victoria is responsible for enforcement and compliance with consumer laws in Victoria.

Under the Australian Consumer Law, certain consumer guarantees apply automatically, including that a service will be performed with due care and skill. If it is not, the consumer is entitled to a remedy, usually a replacement or refund. The type of remedy depends on whether the problem is classified as 'major' or 'minor'. A problem must be 'major' or unable to be fixed before the consumer can ask the business for a refund. It is a 'major problem' if a service is not performed with due care and skill and either:

- a reasonable consumer would never have bought the service had they known beforehand about the problem, (for example, paid for acrylic nails if they knew they would fall off in half an hour)

- the service has not achieved what the service is normally supposed to do, and this problem cannot be fixed quickly or easily, or
- the supply of the service has created an unsafe situation.

If a consumer has an issue with the quality of a service provided from a registered premises or safety issues unrelated to infection control or health service provision, Consumer Affairs Victoria may be the appropriate regulator.

Additional regulators that environmental health officers have referred to include WorkSafe Victoria, the Environment Protection Agency and the Dispute Settlement Centre of Victoria.

Burden of disease

The regulations aim to reduce the public's exposure to infectious diseases described in the 'Problem analysis' section above. All people potentially harbour infectious micro-organisms. As such, it must be assumed that all blood and body fluids/substances are potentially infectious.

The estimated disease burden to Victoria's medical system, from the status quo regulations relating to registered premises, from infections arising in registered premises is estimated at \$24,359,238 per year.

Standard precautions are the work practices required to achieve a basic level of infection prevention and control. Standard precautions aim to minimise and, where possible, eliminate the risk of infection, particularly those caused by blood-borne viruses.

The following are theoretical examples of the types health interventions that would be required if someone was to need treatment for a skin infection from a registered premises. These costs are not exhaustive and are approximate costs for the health system, which may be borne by the individual or taxpayers more broadly. The costs are generalised; the costs for an individual would reflect their personal circumstances, the treatment required, and other related factors including government subsidies. Table 2.6 represents the estimated costs for burden of disease in the theoretical status quo.

Table 2.6: Estimated costs for burden of disease

Simple skin infection

Type of medical intervention	Quantity	Per unit cost ⁹	Total
Pharmaceuticals		\$25.78	\$25.78
General practitioner visit	2	\$37.60	\$75.20
Total			\$100.98

Moderate skin infection

Type of medical intervention	Quantity	Per unit cost	Total
Pharmaceuticals		\$51.45	\$77.23
General practitioner visit	2	\$37.60	\$75.20
Public hospital admission – cellulitis without catastrophic or severe complications (same day) ¹⁰	1	\$3,400	\$3,400.00
Total			\$3,552.43

⁹ [Pharmaceutical Benefits Scheme](http://www.pbs.gov.au) <www.pbs.gov.au>; [Medicare Benefits Schedule](http://www.mbsonline.gov.au) <http://www.mbsonline.gov.au>, Department of Health, Australia

¹⁰ WIES and SWIES calculator 2018–19, [Department of Health and Human Services](https://www2.health.vic.gov.au/about/publications/FormsAndTemplates/wies-swies-calculator-2018-19) <https://www2.health.vic.gov.au/about/publications/FormsAndTemplates/wies-swies-calculator-2018-19>.

Severe skin infection

Type of medical intervention	Quantity	Per unit cost	Total
Pharmaceuticals		\$73.56	\$121.45
General practitioner visit	3	\$37.60	\$112.80
Public hospital admission – cellulitis with catastrophic or severe complications (5 days)	1	\$4,500	\$4,500.00
Public hospital admission – other skin grafts and debridement procedures with complications (5 days)	1	\$9,000.00	\$9,000.00
Total			\$13,734.25

Note that these do not reflect individual patient experiences, and the disease burden will depend on several factors. Also, these cost estimates do not reflect the complete burden of disease associated with lost income from absences from work, as well as possible reduced quality of life while managing the impact over a prolonged period.

Applying these costs to a theoretical example of possible infection rates as a proportion of total services by registered premises in Victoria provides an indication about the potential burden of disease that is mitigated by enforcing minimum standards.

Total net present value of potential burden of disease from registered premises in Victoria (over the next 10 years): \$243,908,822 over 10 years (in 2019 dollars)

This is calculated using the following assumptions:

- Number of registered premises increases by 1 per cent per year.
- Assumes each premises provides 10 services each day each year (in practice this may be higher for low-risk premises and lower for high-risk premises and the number of services per day would depend on the type of service, consumer demand and the number of staff).
- Chance of simple skin infection per service: 0.1 per cent chance per service (one in 1,000 services).
- Chance of moderate skin infection per service: 0.01 per cent chance per service (one in 10,000 services).
- Chance of severe skin infection per service: 0.001 per cent chance per service (one in 100,000 services).
 - Note the percentage probability assumed here does not reflect actual practices at registered premises in Victoria and is used for theoretical purposes only. This also assumes the same chance of infection per service apply to both low and high-risk registered premises (in practice this may be lower for low-risk premises and higher for high-risk premises).
- Assumes no improvement in practice or technology, and that the cost of treatment per year only increases by the rate of inflation (assumed at 3 per cent per year).

Costs for industry to implement the regulations

There are costs for industry to adhere to the regulations. These relate to the requirements relating to the requirements for cleanliness, sterilisation, information provision and record keeping. Implementing each of these depends on the local government requirements and the class of registered premises.

The estimated total cost to Victorian businesses for registration fees per year is \$1,395,675 (10-year projection is outlined further below).

Costs are assessed over a 10-year period because the regulations would sunset in 2029. All figures are expressed in 2019 dollars, with future costs discounted by 4 per cent per annum to determine their value in 2019 dollars.

Size of industry

The number of registered premises is estimated at 11,244. Of these, 4,875 are ongoing registrations (hairdressers and low-risk health operations), and 6,369 higher risk operations that are registered on a periodic basis (up to a maximum of three years). These numbers are from a survey of all 79 councils conducted by the department in February 2018.

The number of registered premises is predicted to grow by 1 per cent per annum, reflecting the forecast of a business research firm.¹¹

Operator turnover (when an operator exits the market and a new one enters) is estimated at 12.5 per cent (the average for Australian businesses). This exit rate could be higher because the industry is made up of small businesses and the barriers to entry and exit are low.

Costs of becoming registered for industry

Local government has discretion to charge a fee to register premises. These costs are not attributable to the regulations because these requirements are set out in the Act. Specific inclusions in applications specified in the regulations are minimal.

From a sample of 10 local government fee schedules available online, these fees range between \$65 and \$380, with an estimated median point of \$200. However, this fee may be varied over time because some local governments do not state the fee online, instead providing a fee estimate following an inspection to ensure the business is registering for the applicable risk category.

While not included in the burden of registration relating to the regulations, there is a cost of \$13,974,881 (in 2019-dollar terms) over the next 10 years for businesses to register their premises with the relevant local government municipality in Victoria. Further details of this estimate are outlined in the technical appendix.

Costs for local government to enforce the regulations

Most of the costs to enforce the regulations are borne by local government. This includes to register businesses and to monitor and enforce compliance with the regulations.

Fees are charged to recover a proportion of these costs, with additional costs covered by other local government funding sources such as rates charged to ratepayers. These are outlined above as a cost on business.

The estimated total cost to local government per year for registering premises is \$1,550,948 per year.

The main cost to local governments to enforce the regulations is environmental health officers' time to inspect and approve applications for registration, respond to complaints and undertake proactive compliance and enforcement activities. At the discretion of each local government, the municipality may choose to conduct more rigorous or frequent inspections and annual compliance processes as needed, but these are not prescribed by the regulations.

Based on a sample of local government environmental health officers undertaken for the impact assessment, the costs are estimated as:

- number of registered premises in Victoria: 11,244 (4,875 ongoing and 6,369 periodic)
- average time allocated for an initial inspection: up to two hours (reported average was 1.87 hour)
- average time allocated for annual inspection: one hour (reported average was one hour)
- estimated time allocation for travel, administration, responding to complaints, public education and capacity building: one hour per premise per year
- average labour cost (per hour): \$46.60 per hour (\$1,771 per week, assuming 38 hours per week, before taxes, excluding superannuation)¹²
- 75 per cent loading for overheads: \$81.55 per hour.

¹¹ IBISWorld Industry Report S9511 [Hairdressing and Beauty Services in Australia](https://www.ibisworld.com.au) <https://www.ibisworld.com.au>, November 2017

¹² Occupational & Environmental Health Professionals, [ANZSCO ID 2513](https://joboutlook.gov.au) <https://joboutlook.gov.au>

Estimated minimum annual regulatory administration cost

Periodic (higher risk premises)

- New inspections per year: $6,369 \times 12.5\%$ (exit/entry rate) = 796
- Total cost for new inspections: $796 \times (1.87 \times \$81.55) = \$129,848$
- Annual inspections per year: $6,369 - 796$ (for new inspections) = 5,573
- Total cost for annual inspections: $5,573 \times (1 \times \$81.55) = \$454,478$
- Total cost per year: new and annual inspection costs = \$584,326

Ongoing (lower risk premises)

- New inspections per year: $4,875 \times 12.5\%$ (exit/entry rate) = 609
- Total cost per year: $609 \times (1 \times \$81.55) = \$49,664$

Both ongoing and periodic

- Estimated time allocation for travel, administration, responding to complaints, public education and capacity building: $11,244 \times (1 \times \$81.55) = \$916,958$

Cost over 10 years

- Growth of hairdressing and beauty therapy businesses per year: 1 per cent
- Business exit/entry rate per year: 12.5 per cent
- Estimated wage inflation rate per year: 3 per cent
- Discount rate per year: 4 per cent

Total net present value cost of the current regulations for local government over 10 years is estimated at: \$15,529,633

This is an estimate of the burden on local governments to operate the regulations for registered premises. Local governments can recover costs through fees on businesses. However, based on the department's estimates, local governments, on aggregate, are expected to recover only 89 per cent of the \$15.53 million via fees, with the remainder of costs generally covered by other funding sources.

Technical appendix

Ten-year costing estimates for industry and local government

Tables 2.7–2.9 should be considered alongside the discussion in the chapter. These calculations are estimates for this regulatory impact statement and are based on best-effort assumptions but should not be considered exhaustive. These estimates are based on surveys of local government officers and departmental estimates. For more accurate and relevant information for a specific municipality, please refer to information released by the relevant local government.

Table 2.7: Estimated fees for registered premises charged by local government and paid by industry in Victoria

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Fee (estimated average)	200	206	212	219	225	232	239	246	253	261	
Periodic registration (high risk)	6,369	6,433	6,497	6,562	6,628	6,694	6,761	6,828	6,897	6,966	66,634
Cost per year for inspections	\$1,273,800	\$1,325,134	\$1,378,537	\$1,434,092	\$1,491,886	\$1,552,009	\$1,614,555	\$1,679,622	\$1,747,310	\$1,817,727	\$15,314,672
Ongoing registration (low risk)	4,875	4,924	4,973	5,023	5,073	5,124	5,175	5,227	5,279	5,332	51,003
Ongoing expected exit/entry rate (low risk)	609	615	622	628	634	640	647	653	660	666	6,375
Cost per year for new ongoing (low risk)	\$121,875	\$126,787	\$131,896	\$137,211	\$142,741	\$148,494	\$154,478	\$160,703	\$167,180	\$173,917	\$1,465,282
Total cost	\$1,395,675	\$1,451,921	\$1,510,433	\$1,571,304	\$1,634,627	\$1,700,503	\$1,769,033	\$1,840,325	\$1,914,490	\$1,991,644	\$16,779,954
Net present value	\$1,395,675	\$1,396,078	\$1,396,480	\$1,396,883	\$1,397,286	\$1,397,689	\$1,398,092	\$1,398,496	\$1,398,899	\$1,399,303	\$13,974,881

Table 2.8: Estimated minimum costs for local government to regulate registered premises in Victoria

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Periodic registration (high risk)	796	804	812	820	828	837	845	854	862	871	8,329
Cost per year for inspections	\$129,848	\$135,081	\$140,525	\$146,188	\$152,079	\$158,208	\$164,584	\$171,216	\$178,116	\$185,295	1,561,139

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Periodic annual (high risk)	5,573	5,629	5,685	5,742	5,799	5,857	5,916	5,975	6,035	6,095	58,306
Cost per year for annual inspections	\$454,478	\$472,794	\$491,847	\$511,669	\$532,289	\$553,740	\$576,056	\$599,271	\$623,422	\$648,545	\$5,464,110
Ongoing registration (low risk)	4,266	4,309	4,352	4,395	4,439	4,484	4,528	4,574	4,619	4,666	44,632
Ongoing expected exit/entry rate (low risk)	609	615	621	627	634	640	646	653	659	666	6,371
Cost per year for new ongoing	\$49,664	\$51,665	\$53,748	\$55,914	\$58,167	\$60,511	\$62,950	\$65,486	\$68,126	\$70,871	\$597,101
Estimated time allocation for travel, administration, responding to complaints, public education and capacity building	\$916,958	\$953,912	\$992,354	\$1,032,346	\$1,073,950	\$1,117,230	\$1,162,254	\$1,209,093	\$1,257,820	\$1,308,510	11,024,428
Average labour cost x 75 per cent loading	\$81.55	\$84.00	\$86.52	\$89.11	\$91.79	\$94.54	\$97.37	\$100.30	\$103.31	\$106.40	
Total cost	\$1,550,948	\$1,613,452	\$1,678,474	\$1,746,116	\$1,816,485	\$1,889,689	\$1,965,844	\$2,045,067	\$2,127,483	\$2,213,221	\$18,646,779
Net present value	\$1,550,948	\$1,551,396	\$1,551,843	\$1,552,291	\$1,552,739	\$1,553,187	\$1,553,635	\$1,554,083	\$1,554,531	\$1,554,980	15,529,633

10-year estimates for burden of disease in Victoria (theoretical example)

Table 2.9: Burden of disease – theoretical example in Victorian context

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Registered premises – both ongoing (low risk) and periodic (high risk)	11,244	11,356	11,470	11,585	11,701	11,818	11,936	12,055	12,176	12,297	117,637
Services per year (assume 10 per premise per day)	41,040,600	41,451,006	41,865,516	42,284,171	42,707,013	43,134,083	43,565,424	44,001,078	44,441,089	44,885,500	429,375,480
Simple skin infection (0.1 per cent chance per service)	41,041	41,451	41,866	42,284	42,707	43,134	43,565	44,001	44,441	44,885	429,375

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<i>Treatment cost</i>	\$101	\$104	\$107	\$110	\$114	\$117	\$121	\$124	\$128	\$132	
Burden per year	\$4,145,101	\$4,312,148	\$4,485,928	\$4,666,711	\$4,854,779	\$5,050,427	\$5,253,959	\$5,465,693	\$5,685,961	\$5,915,105	\$49,835,811
Moderate skin infection (0.01 per cent chance per service)	4,104	4,145	4,187	4,228	4,271	4,313	4,357	4,400	4,444	4,489	42,938
<i>Treatment cost</i>	\$3,552	\$3,659	\$3,768	\$3,881	\$3,998	\$4,118	\$4,241	\$4,369	\$4,500	\$4,635	
Burden per year	\$14,577,621	\$15,165,099	\$15,776,253	\$16,412,036	\$17,073,441	\$17,761,500	\$18,477,289	\$19,221,924	\$19,996,567	\$20,802,429	\$175,264,159
Severe skin infection (0.001 per cent chance per service)	410	415	419	423	427	431	436	440	444	449	4,294
<i>Treatment cost</i>	\$13,734	\$14,146	\$14,570	\$15,008	\$15,458	\$15,921	\$16,399	\$16,891	\$17,398	\$17,920	
Burden per year	\$5,636,516	\$5,863,668	\$6,099,973	\$6,345,802	\$6,601,538	\$6,867,580	\$7,144,344	\$7,432,261	\$7,731,781	\$8,043,372	\$67,766,834
Total burden of skin infections from services	\$24,359,238	\$25,340,915	\$26,362,154	\$27,424,549	\$28,529,758	\$29,679,507	\$30,875,591	\$32,119,878	\$33,414,309	\$34,760,905	\$292,866,804
Net present value	\$24,359,238	\$24,366,264	\$24,373,293	\$24,380,324	\$24,387,357	\$24,394,392	\$24,401,428	\$24,408,467	\$24,415,508	\$24,422,551	\$243,908,822

Accessing the full regulatory impact statement

Information on infringements, consultation, implementation, evaluation and the exposure draft regulations are contained in the full regulatory impact statement available on the [Engage Victoria website](https://engage.vic.gov.au) <https://engage.vic.gov.au>.

This extract was prepared to assist stakeholders who access the report by accessing a specific category on the Engage website. This is not intended to limit the scope of submissions; the department welcomes submissions from all interested parties.

Making a submission to the review

Public comment is invited on the proposed regulations and RIS. Please note that all comments and submissions received will be treated as public documents.

Comments and submissions should be received by the Department of Health and Human Services no later than **5.00 pm, Monday 30 September 2019**.

The Engage Victoria website is the preferred method for receiving submissions. Submissions can also be received by [emailing the department](mailto:phwa.enquiries@dhhs.vic.gov.au) <phwa.enquiries@dhhs.vic.gov.au>, or post, marked 'Submission to the Review of the Public Health and Wellbeing Regulations 2009' and addressed to:

Chief Health Officer
Regulation, Health Protection & Emergency Management
Department of Health and Human Services
GPO Box 4057
Melbourne VIC 3001

Copies of the RIS and proposed regulations can also be obtained from the [Engage Victoria website](https://engage.vic.gov.au) <https://engage.vic.gov.au/>.