



# SUBMISSION TO THE OFFICE OF BEST PRACTICE REGULATION

## *Measuring and Reducing the Burden of Regulation*

▼ CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND SUBMISSION

31 August 2012

## SECTION 1: INTRODUCTION

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- 1.1 From the outset CCIQ wishes to reaffirm our strong commitment to reducing red tape for Queensland businesses and accordingly we congratulate the Queensland Government on making this significant commitment to reducing red tape by 20 per cent. CCIQ looks forward to working with the Office of Best Practice Regulation (OBPR) and the Queensland Government to progress this agenda and look forward to seeing the results of the efforts and reform agenda
- 1.2 CCIQ wishes to highlight the position that we have been advocating since our initial blueprint developed and released in 2009, and reemphasised in our blueprint in 2011 regarding the essential elements of successful reform agenda. This framework which we advocate is a product of extensive research of other successful regulatory reform regimes both in Australia and internationally and is supported by the feedback that we receive directly from the businesses that deal directly with regulation every single day.
- 1.3 Red tape is a product of the cumulative effect or total sum of regulation impacting on business and the community. It is less so a product of specific complexities, particular forms, excessive paperwork overly burdensome requirements or irrelevant expectations, however these do individually each contribute to the problem.
- 1.4 It therefore follows that the only way to meaningfully address the issues of red tape, at least initially, is to reduce the overall stock of regulation (deregulate) and ensure that new regulation does not “creep” in to replace that which has previously been repealed (stem the flow). Once the total stock has been reduced, the next phase can rightly be to ensure the efficiency and cost-effectiveness of essential and remaining regulation (simplification and harmonisation). These stages can however occur concurrently as part of a broad regulatory reform framework.
- 1.5 This very approach has been advocated by CCIQ since 2009 in our ‘Blueprint for Fighting Queensland’s Over-Regulation’ and formed the basis for our Red Tape Reduction Policy outlined in our 2011 Blueprint Update Paper.

### Red Tape Reduction Policy

- 1.6 In order to bring about consistent, efficient and systemic regulatory change in Queensland the following action plan must be actioned:

#### **Governance and Leadership (Accountability)**

##### **Establish high level political leadership to a state regulatory reform agenda by appointing a Minister for Regulatory Reform**

Effective and sustained regulatory reform requires sustained high-level political support. One way of doing this is to appoint a senior minister with sole responsibility for overseeing the regulatory reform agenda. Those jurisdictions who have enjoyed the most success in reducing red tape have typically given this responsibility to the political leader (such as the Premier).

The minister (or premier) with responsibility for regulatory reform will act as the primary advocate for red tape reduction, and will hold all Ministers and CEO's accountable and work alongside other Ministers, who retain responsibility and accountability for the reforms for which they are responsible, to collectively achieve whole-of-Government regulatory efficiency.

**Demonstrate commitment to the regulatory reform agenda through binding quantitative target**

It is sometimes argued that measuring regulatory burden and setting quantifiable targets for reducing red tape is a futile exercise, due to the difficulty in identifying and measuring tangible and intangible costs incurred by business.

Queensland has certainly lagged other states in Australia in making commitments to a target for red tape reduction. Internationally, Governments including the UK, Netherlands, Canada and the United States have all established, if not surpassed, targets for reducing regulatory compliance burden. CCIQ strongly support the LNP State Government's current commitment to reduce regulatory burden by 20 per cent.

The challenge that remains is determining how this target is best quantified and tracked. CCIQ believe it is imperative to get the right balance between easy of calculation, comprehensiveness and relevance to business and the community. For this reason CCIQ advocate regulatory 'requirements' as the primary baseline and target measure.

Regardless of the measure, the process of establishing a baseline and moving forward with a reform program is a critical success factor, without which there can be no true accountability and the Government will fail to deliver red tape reductions that can be seen and felt by business and the community. Regulatory counts should also be available for each new piece of legislation and associated regulation and policy.

**Reduce and Improve Existing Stock of Regulation (De-Regulation and Simplification)**

**Undertake industry and business case studies to identify reform priorities**

Central to the issue of red tape is the lack of understanding of the real business operating environment and data on business compliance costs available to policy makers to support a the identification of opportunities for de-regulation and simplification. A business and industry case study approach which maps out the full regulatory compliance activities and requirements undertaken by business owners/managers on a daily, monthly and/or yearly basis has been identified as the best way to direct reform priorities and ensure any reform agenda delivers results that can be seen and felt by business and the community.

**Develop regulatory reform plans (Whole-of-Government and agency specific) linked closely to the quantitative target**

All agencies of Government should be expected to make an equal contribution to the state reduction target. Agencies will be compelled to develop action plans (with endorsed percentage targets) identifying priority areas and a forward program for simplification and repeal of relevant regulation. Simplification plans will be endorsed by Cabinet and regular reporting against these plans required.

**Establish a forward plan and undertake legislative reviews**

A forward schedule of targeted priority areas of regulation/portfolio regulatory areas will be developed and made public. Reviews will be undertaken by an independent body tasked with identifying the cost of compliance, outcomes being achieved, opportunities for reform and simplification and available alternatives to regulatory approach. The findings of all reviews should be made available to the public and be binding on the relevant portfolio.

### **Simplify and Streamline essential and necessary regulation to ensure regulatory efficiency**

Recognising that some regulation is essential and can deliver positive outcomes for business and the community, every effort should be taken to ensure the regulatory cost and burden is minimised and that regulatory outcomes/objectives are met in the most effective and efficient way possible. Examples may include:

- Basing all regulation on an outcomes focused approach where prescriptive and procedural requirements are reduced/removed allowing business and the community to meet regulatory outcomes taking whatever approach best suits their circumstances;
- Reconsidering and extending frequency of renewals and reporting timeframes for those who demonstrate consistent regulatory compliance, consider also automatic renewals/roll-over of licences;
- Reviewing all paperwork, forms and reporting requirements to ensure only essential information is required, and shifting to automatic pre-filing systems;
- Providing a one-stop-shop for business to access state Government and regulatory information;
- A 'scheduled or programmed' approach to the introduction of regulation on a predetermined date (e.g. 1st of January and July) is strongly supported by industry;
- Ensure business friendly guidelines and support material/information is available for all regulation and other statutory instruments and that agency staff have adequate knowledge of regulatory compliance requirements to provide consistent and useful advice; and
- Ensure information on all regulation and regulatory proposals is updated in a timely manner on all public and agency websites.

### **Stem Flow of New Red Tape (Systemic Reform)**

#### **Adopt a 'Zero Net Growth' policy across Government**

To ensure that the efforts of de-regulation and simplification are not lost as new regulation is proposed in response to emerging public issues, a 'zero net growth' or 'regulatory offset' approach ensures the role of Government in providing public safeguards and protection can be consistent with a significant regulatory reform agenda. It provides for at least one existing burden to be removed or reduced or savings/cost reductions found elsewhere across Government (e.g. fees, charges reduced, systems and processes automated) when agencies create a new regulatory burden.

The 'one in, one out' approach is already in force in the United Kingdom and Victoria. In its report to the British Prime Minister, the Better Regulation Task Force (BRTF) advised that the British Government should adopt the 'one in, one out' approach to regulation, so if Ministers want to introduce new laws, they first have to either reschedule and/or abandon other proposals (thus stemming the flow of new regulation), or agree to repeal existing laws (thus reducing the stock of existing regulation).

Ministers and agencies will be compelled to carefully consider the need for new regulations and the impact on small business. Guidelines for considering new regulations that include scrutiny of the need for the regulation and ensuring affected parties are consulted should be adhered to by all regulatory agencies.

Other jurisdictions have implemented a Cabinet "Checklist" approach where Ministers must sign-off that proposed regulation and policy is essential and has satisfied the public benefit test, that all other alternatives to regulation have been considered, and costs on business



and the community minimised. Ministers will be held accountable against this undertaking and the checklist forms part of Cabinet decision making processes.

**Improve existing RAS and Consultation processes where full business cost analysis and business consultation protocols for all new policy, regulation and other statutory instruments are mandated**

A review of the efficacy of the existing Regulatory Impact (RIS/RAS) processes should be undertaken. A culture currently exists across Government where RIS/RAS are used as a means to justify regulation, as opposed to its original intention to validate the need for regulation. Too many exemptions currently exist allowing agencies to avoid undertaking complete regulatory cost and impact assessments. All Government legislation, regulation and other statutory instruments which impose costs on business and the community should be subject to impact assessment and be undertaken at the appropriate stage in the policy development process.

A return to the original intent and rigour of regulatory sunset requirements should also occur to ensure existing regulation is only ever rolled over and re-enacted when there is an irrefutable need. It has become common practice in Queensland for sunset clauses to trigger reviews of regulation that result in minor amendments only or have become an opportunity for the agency to increase regulatory requirements. Other jurisdictions have introduced reduced sunset periods (e.g. 5 years rather than traditional 10 year period) and introduced protocols that ensure repeal is the automatic response rather than roll-over.

Government will better consult with the business community before any introduction of regulation and appropriate timeframes are made mandatory for all regulatory and policy proposals. A 'scheduled or programmed' approach to the introduction of regulation on a predetermined date (e.g. 1st of January and July) is strongly supported by industry.

**Report and Monitor (Transparency)**

**Measure the regulatory burden and establish a baseline of existing regulation**

There is no clear and accepted understanding of how much red tape and regulation actually exists in Queensland and how much it costs Queensland businesses and the economy. The Queensland Government itself has not undertaken any review or stocktake of the amount and cost of red tape and to date external and independent reviews have not applied any systematic methodology to establish an authoritative baseline. Accordingly agencies and Ministers cannot appreciate the extent of the problem and therefore are not compelled to reform the regulatory environment. Equally there is little accountability for the cumulative effect of new and amended regulation.

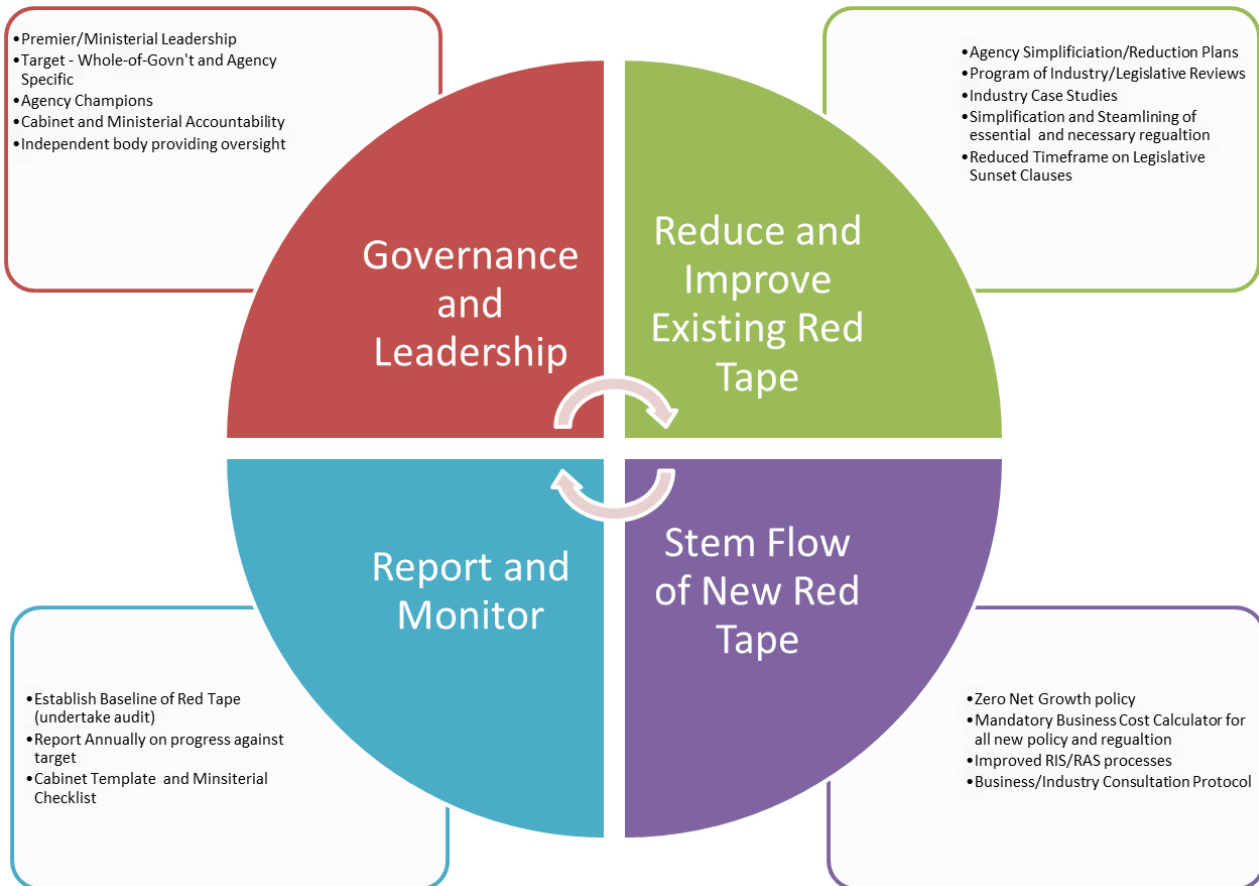
The benefits of establishing a baseline measure is that it allows changes in red tape to be tracked over time. It is also an essential requirement for establishing any meaningful and quantifiable target for reducing red tape burden and it increases awareness of the extent of the problem and creates accountability on the behalf of Ministers responsible for legislation and other statutory instruments. Additionally, international experience and research has concluded that without first establishing a baseline measure or count, regulatory reform programs and targets will fail to deliver any significant results or outcomes.

**Report annually on progress against the target and other regulatory reform measures**

Real accountability requires ongoing and regular measurement and reporting. It allows progress to be tracked over time and raises the profile and understanding of costs both for regulators themselves and the community. Best practice recommends quarterly reports to measure progress towards reducing the regulatory burden. Reports should identify progress towards achieving the targets and provide an overview of the activities of all agencies in a

consistent template linked to targets and agency plans.

### Red Tape Reduction Policy



### Challenges for Government

1.7 CCIQ cannot stress enough that if the Government fails to acknowledge cumulative burden at the centre of the reform agenda, then it will be setting itself up for failure and will not achieve its intended goal of 20 per cent reduction. Small changes around the periphery or addressing what is essentially the “low hanging fruit” (or the low effort) aspects of regulation will not deliver significant savings and burden reduction that can be seen and felt by business and the community.

1.8 The other key risk to the success of this reform agenda is the culture within Government and regulatory agencies. It is fair to say that up until now there has been reluctance on the behalf of regulatory agencies to acknowledge the need for significant reductions and improvements in the regulatory environment. An important element of this reform process will be to effect cultural change in the way that regulatory agencies see their role, how they approach policy problems and how they develop and review regulation.

- 1.9 Finally CCIQ emphasises the need to minimise the level of bureaucracy and process that is embedded into the regulatory reform agenda. It is important both for fast-tracking the delivery of reform outcomes and driving cultural change within Government that ‘red tape’ reduction is not made overly complex through the creation of new and updated policies, frameworks, processes and guidelines.
- 1.10 Whilst a framework for reform is very important and vital, Queensland businesses view the ‘process’ of regulatory reform as esoteric and, respectfully, CCIQ urges the OBPR and Queensland Government agencies to ‘get on with the job’ of measuring and reducing the burden of regulation in order to create an optimal business operating environment for business and employment growth.

## SECTION 2: RESPONSE TO ISSUES PAPER QUESTIONS

The following table provides direct responses to the discussion questions raised in the OBPR paper.

### Proposed Framework for Reducing the Regulatory Burden

Consultation Issues/Recommendations	CCIQ Response/Position
<p><b>1.1. Is there support for measuring the regulatory burden in terms of a dollar value for the compliance cost as the primary measure?</b></p>	<p>CCIQ supports in principle the adoption of a dollar value target for reducing red tape. However we do not support the approach recommended by the OBPR for determining or estimating the dollar value.</p> <p>The purpose of reducing red tape in Queensland is to reduce the cost and burden of doing business in Queensland. CCIQ see no value to the Queensland business community in setting a target and reporting against an ‘estimated’ dollar value which has no direct correlation to the real cost of red tape.</p> <p>This same approach was adopted by the previous State Government and was one of CCIQ’s key criticisms of their reform agenda. CCIQ believe that a dollar value has no relevance or impact unless it is calculated using an evidence-based approach with real business cost data.</p>
<p><b>1.2. Recognising that page count is a very rough measure of the burden of regulation and that estimating a dollar value for compliance cost could be resource intensive, is it preferable, at least initially, to adopt a measure that counts the number of individual restrictions associated with each regulation?</b></p>	<p>CCIQ agrees that page counts is a very crude measure of regulatory burden and therefore does not support nor contend that this should form the basis for the Queensland Government’s baseline or targets.</p> <p>CCIQ continues to advocate for a baseline to be undertaken using a ‘regulatory requirements’ approach as this directly reflects the impost and cumulative burden imposed on Queensland business owners. CCIQ supports this approach as being the preferable basis upon which to base the target.</p> <p>Evidence from jurisdictions applying this methodology report that the process of agencies completing the baseline study and counting the requirements/restrictions imposed through their own legislation contributes to the process of cultural change and also helps agencies identify opportunities for review and reform.</p> <p>CCIQ believes that, should a quantitative dollar value target be the preference, then the only methodology for calculating this is to undertake a full costing study using the Business Cost Calculator (or similar tool) and real business data. This approach was completed by the Victorian Government, and internationally by the UK, Danish and Canadian Governments, at the commencement of their regulatory reform programs.</p>



<p><b>1.3. Is there support for using the gross approach to setting a target in relation to the existing stock of regulation and using an improved RIS process to ensure the net stock of regulation is appropriate?</b></p>	<p>A ‘gross’ approach to setting a target in relation to the existing stock of regulation is not CCIQ’s preferred approach.</p> <p>CCIQ firmly believes that to achieve meaningful change in regulatory process and give accountability to Ministers and Departments, regulatory reduction targets must focus on ‘net’ change.</p> <p>A recognised problem with regulatory reform programs is the issue of regulatory creep. That is, when new regulatory instruments and amendments continue to be enacted at the same time that deregulation and simplification is occurring hence reducing the benefit of regulatory reform to the business community. Indeed, regulatory creep is identified as a significant issue in Queensland by the business community, with 80 per cent reporting in a recent CCIQ survey that they had noticed a significant increase in red tape over the past five years at the same time as the previous Government’s and COAG reform agendas were being implemented.</p> <p>CCIQ does not believe that the Regulatory Impact Assessment (RIS) process on its own is sufficient , at least not in the early stages of regulatory reform, to control regulatory creep. An improved RIS process is an imperfect tool to control the flow of new and amended regulation as in many cases when viewed in isolation regulatory proposals will pass the public benefit and cost-benefit analysis tests.</p> <p>Additionally without the accountability of a ‘net’ growth target, Ministers are more likely and able to circumvent RIS requirements and will have no imperative to strongly build the case for their regulatory proposals.</p> <p>Finally a ‘net’ growth target leads to better quality regulation and regulatory instruments that are developed with simplification and efficiency in mind as agencies are compelled to develop regulation in a way that ensures it passes the CBA and public benefit tests and that do not significantly increase regulatory requirements on business.</p>
<p><b>1.4. What are the main instances where duplication in terms of compliance occurs and how is this best addressed?</b></p>	<p>The majority of duplication occurs for businesses who operate across state borders/regional council boundaries or when they are required to apply for multiple permits, licences and report to multiple Government agencies/levels of Government. This therefore relates mostly to larger sized business and is of lesser impact for the small and medium business sector.</p>

	<p>However environmental reporting, building approvals, building safety and taxation reporting are common areas where duplication exist. Duplication also often exists for businesses in the instances where industry codes and/or association/accreditation requirements exist (e.g. real estate industry must comply with PAMD Act as well as the REIQ codes of conduct; food safety inspections duplicated with individual retailer standards and inspections).</p> <p>Rather than a focus on duplication, CCIQ suggest that a better focus, supported by significant case studies and business survey information, is on:</p> <ul style="list-style-type: none"> <li>• frequencies of reporting (many of which do not align and consequently create an illusion of burden as business owners are reporting to one agency or another on almost a daily basis); and</li> <li>• priority/relevance of the information supplied in reporting, applications and licences (such that the time taken to complete many reports can be reduced/simplified if only essential information needs to be repeated/reported).</li> </ul>
<p><b>1.5. Is there support for specifying that the ‘onus of proof’ should be on those advocating or responsible for regulation to prove that there regulation leads to a net public benefit?</b></p>	<p>CCIQ strongly supports this proposal. CCIQ agree that greater accountability needs to rest with the regulators to argue their case for regulation and to demonstrate that no other form of action, statutory or quasi-regulatory instruments can address the issue and deliver the same outcome.</p>
<p><b>1.6. Is there support for the proposed prioritisation criteria set out in 1.2?</b></p>	<p>CCIQ provides tentative support to the proposed prioritisation criteria set out in 1.2, but highlights the need to avoid excessive process and bureaucracy in the regulatory reform agenda.</p> <p>CCIQ are concerned that the proposed prioritisation criteria does not acknowledge the fact that it is the cumulative effect, not specific and individual aspects of regulation that cause the most burden for Queensland businesses. Indeed both regulators and businesses acknowledge the difficulty in isolating individual regulations or aspects of regulation that are on their own considered complex, excessively burdensome or duplicative.</p> <p>CCIQ does however support criteria (b) and (c) as they are likely to deliver maximum benefit across the Queensland business community. However agencies must be prepared to tackle the significant areas of regulation and have significant high level authority to drive reform in some significant and tough areas.</p> <p>The Queensland Government, if adopting such</p>

	<p>prioritisation criteria must be careful how they are used and applied. It is our experience in discussions with the QORE and regulatory agencies that similar criteria has been used not as a tool for ‘prioritising’ reform outcomes, but as a means to exclude regulation from review resulting in only low effort and low impact red tape being on the reform agenda.</p> <p>CCIQ does not support criteria to exclude regulation for initial review. CCIQ is sceptical of the previous Government’s regulatory review processes and believe the results of previous reviews are questionable. The previous Government did not have a thorough methodology for reviewing regulation nor a significant mandate and commitment to regulatory efficiency and deregulation to provide confidence that previous reviews delivered net benefit and low cost outcomes for businesses.</p> <p>The best outcome undoubtedly is to meet targets with a minimal amount of effort and to exceed expectations. In some cases agencies may be able to meet their target by reviewing and reforming only one or two major areas of legislation/regulation but this will require a significant mandate/momentum driven by high level Ministerial and Cabinet authority.</p>
<p><b>1.7. Is there support for the whole of Government regulatory management system set out in 1.3?</b></p> <p><b>1.8. Are there any aspects of the whole of Government regulatory management system that need to be amended or that have not been addressed?</b></p>	<p>CCIQ are generally supportive of the proposed whole of Government management system and believe it is important to the process of driving cultural change across Government.</p> <p>A few additional comments related to the broad management system are as follows:</p> <ul style="list-style-type: none"> <li>• CCIQ advocate high level leadership for the regulatory reform agenda and are pleased that this responsibility now rests with the Treasurer. CCIQ would however like to see additional commitment from the Premier as the most successful regulatory reform processes in other jurisdictions normally are characterised by leadership and commitment from the most senior authority. CCIQ would also be interested in identifying or discussing how the Cabinet as the executive arm of Government will oversee and report on regulatory efficiency and reform.</li> <li>• CCIQ strongly support the ‘onus of proof’ shifting towards proving the need for regulation as opposed to the previous approach where stakeholders were required to make an argument against a regulatory approach.</li> <li>• CCIQ supports the review process that addresses both the existing stock of regulation of new</li> </ul>

	<p>regulation. CCIQ agrees that RIS and reverse onus of proof are effective mechanisms to address existing stock, however has concerns over the mechanisms which allow Ministers and agencies to argue for the exemption of their regulatory proposals. Additionally, RIS requirements should apply to a broader range of statutory instruments including acts, codes of practice and industry standards. In the absence of all statutory instruments being subject to RIS, agencies may have a tendency to choose these other instruments over regulation.</p>
<p><b>1.9. Is there agreement with the process set out in 1.4 for establishing review priorities?</b></p>	<p>CCIQ is broadly supportive of the three phases of the OBPR review process.</p> <p>Noting that the OBPR has themselves identified this as a particularly difficult and onerous process, and also the difficulty Government agencies often encounter in engaging with businesses on regulatory and compliance matters, CCIQ would welcome the opportunity to assist and/or lead this red tape review process to identify medium term priorities for reform. Engaging a case study process CCIQ has previously been able to identify systemic regulatory problems and is confident that with the appropriate resources could undertake this task and report back to Government on a comprehensive list of reform priorities that also align with the prioritisation criteria.</p>
<p><b>1.10. Are there any other comments on the proposed approaches and recommendations in this Issues Paper?</b></p>	<p>Overall the objective of this body of work and the key success indicators for the OBPR should be to institutionalise best practice regulatory development and review process.</p> <p>While a broad framework is required to focus attention and maintain momentum, the Queensland Government should be careful not to become embedded in the processes, mechanisms and tools of regulatory reform. Rather if the appropriate leadership, mandate for change and measurable targets are set, these in themselves should be sufficient to drive a whole of Government commitment and cultural change.</p> <p>This is the very experience of British Columbia where the Government achieved a red tape reduction of over 45 per cent, far exceeding their original 33% target and in the process gaining the support of the business community.</p> <p>Finally, CCIQ notes that the paper does not provide detail regarding the processes and mechanisms for reporting reform progress. This is key issue for CCIQ as we believe the previous Government's Red Tape Stocktake Reports had little relevance to the business community, were flawed in their methodology and were</p>

	viewed unfavourably by the agencies submitting the reports.
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### Nature and Extent of the Regulatory Burden

Consultation Issues/Recommendations	CCIQ Response/Position
<p><b>4.1 Does the discussion of regulatory burden in this section adequately describe the types of administrative and compliance cost burdens experienced by businesses and individuals in Queensland? Please provide specific examples of any additional types of costs that should be included.</b></p>	<p>The issue of defining red tape is subjective and difficult. Unfortunately it is also very important. How a Government defines and understands red tape has a significant direct relationship to the success or otherwise of regulatory reform programs. That is, if a Government or department has inaccurately defined or limited the scope of what they believe to be the red tape ‘problem’, then they will not be able to effectively address the ‘problem’ in a way that delivers real results that can be seen and felt by the business community.</p> <p>Red Tape is all encompassing – it is not limited just to regulation, but includes all instruments used by Government to effect an outcome such as policies, regulation, acts, codes of conduct, standards, and any other statutory instruments.</p> <p>Red tape also affects businesses in different ways depending on their size and location. For example, small business owners often have the sole responsibility for completing all compliance and regulatory expectations within their business, in many cases doing these tasks after hours and in addition to actually running their business. On the other hand larger businesses have the resources and ability to hire people dedicated to certain aspects of regulatory compliance e.g. HR managers, accountants, lawyers or environmental officers.</p> <p>Businesses located in regional and rural areas are also affected differently by compliance requirements. For example, where high speed internet is not available this increases the time required to submit reports and forms; or where businesses do not have easy access to departmental services or offices (such as Australia Post, Main Roads and Transport Department offices or Justice of the Peace services) their compliance time and cost can be escalated.</p> <p>Another important aspect of regulation is the fact that often the extent of impact is narrowly defined. Agencies do not understand how regulation broadly affects businesses across the community, even those technically not directly affected. Businesses have provided us with countless examples where they have invested time and money just to investigate if a new or amended regulation impacts their business (even if in the end it is resolved that it does not impact them). Other businesses tell us</p>



	<p>that they need to remain aware of the potential impact of regulation not directly impacting them at present, in case their business changes and it becomes applicable; they also tell us that it is good business practice and planning to be able to fully understand the business environment in which they and their competitors, suppliers and customers operate.</p> <p>Certainly red tape includes the aspects defined in the discussion paper, that is; administrative and compliance cost and delay costs.</p> <p>CCIQ does however have a broader understanding of 'red tape' which includes procedural costs, administrative costs, purchase costs, information costs, compliance and inspection costs, time and delay costs and opportunity costs.</p> <p>In CCIQ's most recent bi-annual Red Tape Survey (completed in 2011) businesses indicated that complying with and implementing actual regulatory requirements (that is the procedural costs) as the most significant contributor to overall compliance burden. Completing paperwork and reporting (administrative cost); understanding obligations and regulatory requirements (information costs); audits and compliance monitoring; and finding information and keeping up to date with changes were the next most prevalent causes of compliance burden.</p>
<p><b>4.2 Do the general categories of delay costs discussed in this section adequately describe regulatory delay costs experienced in Queensland? Please provide specific examples of delay costs not mentioned.</b></p>	<p>Refer to the above discussion. CCIQ notes that delay costs as currently defined has a narrow scope and applies mostly to development and project approvals. That is it is more a "holding" cost.</p> <p>Delay costs from a small business perspective refers more so to a cost of "time" taken to complete a requirement or to be compliant and in this way is also considered an opportunity cost. So more broadly speaking it is not just about awaiting certification or licences, it is about the diversion of staff/effort/time away from actual running of the business, towards completing a regulatory requirement. For example, a tour bus operator having to take one of their vehicles off the road every six months for Queensland Transport safety checks/inspections; a business owner spending a full day with food safety auditors checking compliance and records rather than actually running their business.</p>
<p><b>4.3 Are there additional categories of regulatory costs that affect the community as a whole?</b></p>	<p>CCIQ members regularly cite opportunity costs as a significant issue relevant to regulation and red tape. That is where regulation acts as a disincentive to grow, employ more people, innovate or increase productivity.</p>

	<p>Again CCIQ members have provided countless examples of where they have made decisions about their business based solely on the cost of regulation. Some examples include:</p> <ul style="list-style-type: none"> <li>• Limiting staff numbers to avoid paying payroll tax;</li> <li>• Limiting staff numbers to avoid the need for WHSO;</li> <li>• Deciding not to hire young people due to restrictions of school-age employment;</li> <li>• Deciding not to trade on certain days to avoid penalties and excessive wage costs;</li> <li>• Not being able to invest in new efficient machinery due to the existing cost and lack of flexibility of regulation;</li> <li>• Actually closing down their business and contracting out their services as the total cost of regulation has become too excessive.</li> </ul> <p>CCIQ also strongly advocate the concept of cumulative burden. That is that it is not the individual aspects or pieces of legislation, but rather the total regime or cumulative effect on business that causes the burden. What this also implies is that there is less an issue with specific cases or examples of excessive or overly burdensome/costly regulation, but rather the total stock of regulation and its adverse effects on business owners' time, the businesses profitability and incentives/ability to take risk.</p>
<p><b>4.4 Please describe how excess regulation or high administrative, compliance and delay costs affect your household, community or business.</b></p>	<p>The total regulatory environment in Queensland restricts the optimum operation of businesses.</p> <p>CCIQ also believe that excessive regulation has impacted on the entrepreneurial spirit of businesses owners who are increasingly less likely and able to take risks on business ideas and investment.</p> <p>Refer to Section 3 for details of identified red tape issues.</p>

### Approaches to Identifying and measuring regulatory burden

Consultation Issues/Recommendations	CCIQ Response/Position
<p><b>5.1 Are page counts of laws and regulations in place useful for assessing regulatory burden?</b></p>	<p>From the outset CCIQ wishes to state that measuring or costing regulatory burden is an imperfect process. The value of any applied methodology for measuring and assessing regulatory burden lies not in the actual result/measure, but rather in its continued application as a baseline to measure change over time.</p> <p>That being said, the chosen methodology must have relevance to business and the community.</p> <p>CCIQ was highly critical of the previous Governments</p>

	<p>approach to regulatory reform and their failure to establish a baseline and apply a consistent methodology to measuring regulatory burden.</p> <p>Accordingly CCIQ adopted its own approach based on information readily available at the time, that being a completed Productivity Commission study which assessed regulation based on page counts and a ACCI study that made an assessment of the cost of regulation to the business community as a proportion of GSP.</p> <p>CCIQ agree that these two measures have their failings and are certainly crude measures, however served their purpose as a baseline for tracking change in regulation and burden over time and also attracting attention to the issue of red tape and driving commitment to address the issue.</p> <p>However, as the Queensland Government has made a commitment to reducing red tape, it is important that they apply a business relevant methodology to measuring regulatory burden. This will ensure that reform efforts are targeted to areas that actually impact on businesses and that outcomes can be seen and felt by business and the community (i.e. that there is a direct correlation between reductions/reforms and outcomes/costs for businesses).</p> <p>CCIQ therefore do not recommend that page count be the basis for the Queensland Government’s baseline and measuring methodology. Rather we recommend the baseline and associated targets be based on regulatory requirements.</p>
<p><b>5.2 Would it be useful to apply the British Columbia approach to measuring regulatory requirements (i.e. counting each provision that states a business, citizen or the Government must or will take some action or provide some information)?</b></p>	<p>As previously stated CCIQ strongly advocates an approach based on regulatory requirements. Experience in jurisdictions where this methodology has been applied demonstrates a number of benefits from adopting this approach which makes it the favoured approach to measuring regulatory burden.</p> <p>Primarily, this measure highlights the impact of cumulative burden which is at the heart of the red tape issue and accordingly leads to reform effort and programs reducing the cumulative burden.</p> <p>Secondly, through the process of counting their own regulatory requirements agencies gain insight into the cumulative effect of their own regulation and policies. It allows agencies to understand into how their regulation is actually impacting on business and the community and therefore drives cultural change leading to immediate improvements in the development of new regulation.</p>

<p><b>5.3 Are there other rough measures that could be used?</b></p>	<p>CCIQ agrees that there needs to be a balance in the effort and process applied to the regulatory reform agenda. However we firmly believe that the establishment of a baseline and target is highly important to achieving regulatory reform outcomes and therefore is one area where an initial investment in effort and resources is warranted.</p> <p>Accordingly CCIQ has a preference for more robust methodologies for measuring regulatory burden rather than rough measures.</p> <p>CCIQ is however aware of a number of other measures which may prove useful to supplement the Queensland Government’s understanding of regulatory burden including:</p> <ul style="list-style-type: none"> <li>• Stocktake of business licences and permits administered by agencies and governments; and</li> <li>• Stocktake of taxes, fees and charges currently levied on the business community by agencies and governments.</li> </ul> <p>Both these measures have the additional benefit of being able to benchmark them against other jurisdictions.</p>
<p><b>5.4 Is the compliance cost calculator approach useful for measuring regulatory burdens in Queensland?</b></p>	<p>Regulatory cost is very subjective. Every business will have very different specific costs of regulatory compliance for any given individual aspect of regulation depending on the size, industry sector and location of their business; as well as the process and systems used to action compliance obligations.</p> <p>For this reason CCIQ are not convinced of the immediate need to apply a cost to the baseline measure. The case against applying a cost to the methodology for measuring regulatory burden is even more so if the cost is simply a rough estimate such as a percentage of GDP. CCIQ believes that the only imperative for establishing a dollar value by this methodology is a political one and would have very little direct relevance to the business community. It will also be open to manipulation and allow agencies to establish rough estimates of the saving and outcomes achieved against their targets. Accordingly it leads to low accountability and transparency which are essential elements of successful regulatory reform agendas.</p> <p>The compliance cost calculator is however a very useful tool and has been used extensively by CCIQ. However its value lies in ensuring that actual real-time business data can be accessed and input into the calculations.</p> <p>The primary disadvantage of this approach is that it requires real business data to be collected and case</p>

	<p>studies undertaken which do increase the cost and time required to establish a baseline. However the benefit is that the ongoing monitoring and measurement process is consistent with RIS/RAS processes where the business cost calculator is required for the cost-benefit analysis.</p>
<p><b>5.5 What modifications to the existing cost models would be useful for measuring the cost of business regulation in Queensland?</b></p>	<p>CCIQ does not see a need to invest time and resources in “improving” existing and tested models such as the BCC and CCC.</p> <p>CCIQ again stresses that costing regulation is an imperfect science and the value of any measure and toll lies in its application as a baseline measure to track change over time. The better use of Queensland Government resources should be on undertaking actual reviews of regulation and deregulation activities rather than developing additional tools, processes and bureaucracy.</p>
<p><b>5.6 Does the process of gathering the data to construct such models, or make them suitable for use in Queensland, impose undue costs on businesses?</b></p>	<p>Establishing a baseline measure is a short term project which would not impose excessive burden on the business community.</p> <p>The Queensland Government can further reduce the burden on businesses by forming relationships and partnerships with industry associations and business representative groups, many of who have ready access to much of the data and examples required for such models.</p> <p>CCIQ notes however that our preferred measurement and baseline methodology, Regulatory Requirements count, does not require the assistance or consultation with the business community.</p>
<p><b>5.7 Would it be preferable to have a simpler measure such as days required to comply with regulatory requirements?</b></p>	<p>If we wish to achieve the right balance between simplicity, cost and relevance/effectiveness, then CCIQ believe that regulatory requirements is the preferred methodology for assessing and measuring regulatory burden.</p> <p>Applying subjective measures such as pages, or number of forms, or days to comply, as has previously been stated, will not effective/drive meaningful reform nor drive cultural change.</p> <p>Finally the process to determine ‘time’ or ‘day’ of compliance requires the same level of consultation with the business community as it would to determine cost and is equally as subjective to business size, location and sophistication of business processes.</p>
<p><b>5.8 What benchmarks are most likely to be useful to assess the extent and growth of regulation in Queensland?</b></p>	<p>The Queensland Government must establish its own baseline of regulatory burden and then measure progress against this baseline.</p>



	<p>Benchmarking exercises are futile if not relevant to the business community. As Queensland operates its own distinct form of Government and Parliament, CCIQ are not convinced that benchmarking against other jurisdictions where approaches to regulatory development, regulatory costing and regulatory review are different will be useful.</p> <p>The most relevant benchmark would be progress towards meeting the 20 per cent reduction target, with interim milestones established to track and monitor progress.</p> <p>Other measures that can be applied and which provide evidence of the success and outcomes of the reform program such as increased business numbers and activity, increased business profitability, increases state employment, and increases state revenue. These can be more easily compared to existing state figures and other states.</p> <p>CCIQ undertakes a bi-annual Red Tape Survey which is completed by over 800 businesses. This survey assesses the perceptions and issues of Queensland businesses in terms of the change in cost, time and burden of regulation; the effectiveness of Government consultation processes, and the quality of information provided by Government on compliance obligations and regulatory changes. CCIQ believe that this type of measure provides a useful time series benchmark for assessing regulatory reform outcomes.</p>
<p><b>5.9 Should a net or gross approach be used to assess burden reductions?</b></p>	<p>As previously outlined, CCIQ believes that an approach based on 'net' change in regulation and burden is imperative to a successful regulatory reform program.</p> <p>CCIQ does not support a gross approach. This allows agencies, Ministers and the Cabinet to become complacent in driving reform. It reduces accountability of the Queensland Government to its target and does not recognise the sole underlying issue for Queensland businesses of cumulative burden.</p> <p>CCIQ firmly believe that by adopting a gross approach the Queensland Government may not meet its 20 per cent target to which the Queensland business community will be holding them accountable.</p>
<p><b>5.10 Regarding surveys:</b></p> <ul style="list-style-type: none"> <li>• <b>Would it be useful to survey businesses in Queensland regarding regulatory burden?</b></li> <li>• <b>What business sectors should be</b></li> </ul>	<p>CCIQ recognises the issue of survey fatigue in the business community. It is important therefore that the Queensland Government avoids the temptation to duplicate other survey process and that they work closely with business organisations to coordinate survey processes. A common failure of Government agencies is</p>

<p>surveyed?</p> <ul style="list-style-type: none"> <li>• If surveys are undertaken, how can they be structured to reduce burdens on potential respondents while maximising the relevance and quality of information obtained?</li> </ul>	<p>in the language and type of questions asked. Agencies need to be sure that the questions they ask in surveys cannot be gained from other sources and that surveys are framed to gain maximum detail/targeted detail with minimum of effort.</p> <p>Business and industry associations are best placed to reach the business community.</p> <p>From CCIQs own experience, survey do not extrapolate the detail about specific regulatory burden and cost and tend to gain only anecdotal feedback and broad qualitative information.</p> <p>If detailed information about exact time and cost of regulatory burden is required then other approaches including direct engagement and case studies will prove a better value propositions.</p> <p>One approach that may prove useful is to identify or appoint small working groups or committees of real business owners who are willing to provide information and detail about regulatory compliance and advise agencies on the detail of regulation and regulatory proposals.</p>
<p><b>5.11 What business or regulatory categories are good candidates for an intensive case study of regulatory burdens?</b></p>	<p>CCIQ have undertaken a number of case studies that focussed on cumulative burden. That is the focus was on the total whole-of Government impact of regulation and the day to day compliance obligations and cost for businesses. This approach also allowed for the identification of common systemic issues or hot spots that affected businesses community broadly; and well as industry specific issues.</p> <p>CCIQ are pleased to be working with the OBPR to conduct additional case studies across a broad range of industries, with a particular focus on the ‘Four Pillar’ construction, agriculture, tourism and resources sectors.</p> <p>Refer to Section 3 for details of previously identified red tape issues.</p>
<p><b>5.12 How can benchmarks and best practice regulatory frameworks be identified?</b></p>	<p>The policy cycle outlined in the Queensland Cabinet Handbook (as well as other literary and scholarly publications) outlines the best practice approach to policy development. Agencies and policy officers need to return to the discipline of best practice policy and regulatory development as outlined under this process.</p> <p>That is more rigour needs to be applied in the early stages of policy research, consultation, options assessment and policy review.</p>
<p><b>5.13 What are examples of better</b></p>	<p><i>Flexible outcomes based policy</i></p>

<p><b>practice regulations that could be implemented in Queensland in place of current methodologies</b></p>	<p>Queensland businesses commonly claim that regulations are unduly prescriptive and place too much focus on processes (reporting, filling out forms, developing management plans, etc) which do little to actually achieve the intended regulatory outcomes.</p> <p>With the increasing prescription in regulation there is increasing difficulty in the practical application of these regulations across very different and diverse businesses and sectors. Prescriptive rules tend to be inflexible and often do not provide incentives for the intended outcomes of regulation to be achieved at least cost – and almost never to be surpassed. Additionally regulation often limits the method for compliance to a few traditionally accepted technologies.</p> <p>The introduction of more outcomes based and flexible policy requirements rather than heavily prescriptive approach that currently exists could facilitate more practical and efficient ways to achieve desired regulatory outcomes.</p> <p><u>Market and risk-based approach</u> Queensland businesses express concern that business efforts to be economically, socially and environmentally responsible are not always recognised and that supposed “incentives” have been poorly designed and offer little opportunity for businesses to actually change behaviour and reduce compliance cost when the goal posts and hurdles to satisfy requirements continually change or are unrealistic.</p> <p>A risk based approach to regulation ensures that regulatory offset is directed at the areas where it will have most impact. This approach recognises the various dimensions of environmental risk and the strength of market and other incentives to manage these risks. A risk based approach should also acknowledge business incentives to manage risks.</p>
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**Approaches for conducting reviews of the existing legislation**

Consultation Issues/Recommendations	CCIQ Response/Position
<p><b>6.1 To what extent are simple red tape reduction targets likely to be effective?</b></p>	<p>CCIQ believe that short of other incentives and/or controls which limit the growth of regulation, that targets are the most effective tool for focussing attention towards a common whole-of Government goal.</p> <p>International research and best practice notes that an essential element of successful red tape reduction programs includes a target for regulatory reduction.</p>

	<p>However the target can only be effective if two other important elements also exist. The target must be measurable (implying a need to establish a baseline and methodology for measuring progress), there must be clear accountability for achieving the target including a high level champion or responsibility for overseeing the target; and finally there must be a transparent progress reporting process.</p> <p>CCIQ also believe that there should be implications and penalties for not achieving the target. CCIQ note that the 20 per cent reduction target is a key Government election commitment and that business and the community will be holding the Government accountable to this commitment. Additionally CCIQ will continue to report against our established mechanisms for measuring change in regulatory burden in Queensland (i.e. Bi-annual Red Tape Survey, Business Case studies, Page count and cost of red tape report).</p>
<p><b>6.2 To what extent are stock-flow linkage rules and similar mechanisms useful for identifying priorities for regulatory review, for example, a commitment to remove a regulation if a new one is introduced, likely to be effective?</b></p>	<p>CCIQ disagree with the assertion made in the discussion paper that stock flow mechanisms apportion a low return to effort ratio.</p> <p>In most jurisdictions where such policies including a ‘zero net growth’ or ‘one-in-on-out’ policies have been put in place they have proven effective at least in the initial phases of reform. Indeed as cultural change occurs the need for such blunt instruments would also diminish.</p> <p>CCIQ therefore strongly advocates the inclusion of stock-flow linkage rules within the Queensland framework for regulatory reform for a number of reasons:</p> <ul style="list-style-type: none"> <li>• it will maintain the focus on the target and ensure only the most necessary policies and regulatory instruments are enacted;</li> <li>• it will improve the process for regulation making as there will be greater onus and pressure on agencies to develop a strong case for new regulatory instruments;</li> <li>• it will incentivise the identification of existing regulations that agencies believe as ‘sacrifice- able’ or ‘unnecessary’;</li> <li>• it will drive the prioritisation of Government services and administration effort and therefore also contributes to efficiency and productivity within Government.</li> </ul>
<p><b>6.3 Should there be sunset provisions for regulation requiring a regulation to be reviewed and re-made after a certain period if it is not to lapse?</b></p>	<p>CCIQ support the use of sunset provisions as a tool for reducing existing stock and controlling the flow of new regulation. Sunset provisions, provided adequate and independent oversight and authority of the administrators of the policy have proven effective in reducing the burden</p>

	<p>of regulation and ensuring only the most necessary regulations continue to exist.</p> <p>Unfortunately, whilst sunset provisions already exist in Queensland, they have neither been effectively managed nor given sufficient authority.</p> <p>Sunset provisions address a common problem of regulation in that over time its relevance and effectiveness reduces as the broader business environment evolves and or changes. With the rapid growth of a globalised, competitive world and the rapid pace of innovation and technology, this issue is becoming more prevalent. In fact a common issues cited by businesses is that regulation prevents the adoption of innovation, emerging best practice technologies and evolving business practices.</p> <p>CCIQ notes that many jurisdictions are transitioning to reducing sunset clause timeframes and international best practice is now at 5 year sunset terms and strongly recommend that Queensland reviews its current sunset clause timeframes/</p>
<p><b>6.4 Should sunset reviews and post-implementation reviews of regulation be subject to the same RIS standards as new regulation?</b></p>	<p>CCIQ believes the same rigour needs to be applied to sunset reviews and post-implementation reviews as is applied to proposed new or amended regulation.</p>
<p><b>6.5 What regulation should be subject to sunset provisions?</b></p>	<p>All regulation should be subject to sunset provisions. Legislation (Acts) and other statutory instruments may also need to have control mechanisms in place to avoid the tendency of agencies and Ministers to favour these other instruments over regulation to avoid the need for public benefit tests, impact assessment and sunset reviews.</p>
<p><b>6.6 What other ex post review requirements should apply for new regulation?</b></p>	<p>Ministerial and Cabinet accountability should be clearly linked to the outcomes of regulation. If adverse or unintended costs and impacts occur, then Ministers should be clearly accountable and required to provide an explanation and/or have their Cabinet and political career linked to these outcomes.</p> <p>An additional mechanism is a Cabinet Checklist which would be submitted with any new regulatory proposals made to Cabinet that must be signed off by the departments CEO and Minister. This would further increase accountability and transparency in the decision making process.</p> <p>For example, the British Columbia government mandated a regulatory checklist to be attached to all proposed new legislation and regulations to ensure they meet a set of</p>



	<p>ten criteria. The ten criteria included best practice approaches such as the requirement that regulation is results based, in plain English, not impose significant cost or restrict business competitiveness, that the regulatory implementation mechanisms be streamlined, and the need for the regulation to be justified. The criteria ensured all new regulations were results-based and contributed to a more competitive regulatory environment. Ministers had to certify (signing the Regulatory Reform Checklist) that proposed legislation and regulations had been developed using the criteria or explain the rationale for the exemption. In conjunction with the public counts and reduction targets, this system proved to be a very effective check on regulation and acted as a key driver for cultural change in the way government views the role of regulation and its development and enforcement.</p>
<p><b>6.7 Are there any comments about the cost effectiveness of approaches to managing and reviewing the stock of legislation set out in section 5.4?</b></p>	<p>CCIQ disputes the assessment made of the approaches to managing and reviewing regulation and we do not believe this to be consistent with research, international best practice and actual outcomes/successes achieved in other jurisdictions.</p> <p>We believe that the key error made in this assessment is that the effort and return has been assessed in terms of driving regulatory reform focused only on identifying specific aspects of regulation or clauses within instruments that are excessive and or complex, rather than a focus on reducing the existing overall stock or cumulative burden of red tape.</p> <p>It has also been assessed from an internal Government viewpoint, especially in terms of the returns, and not from the viewpoint of the business community currently dealing with the cost, time and burden of regulatory requirements.</p> <p>CCIQ believes caution should be taken when applying assessments of regulatory reform measures from other jurisdictions in our own value judgements. The context of the current regulatory environment needs to be taken into account, including an understanding of the level of authority and accountability, the mandate behind the agenda, the commitments already made, the level of commitment from agencies, the history of previous successes and reforms, the culture within Government and the community expectations. As such CCIQ has developed a model which rates Queensland's current regulatory reform context (refer to Appendix A).</p>

	<p>CCIQ also believes much more may be gained from tackling a small number of significant and difficult areas of regulation (high effort) which have broad business coverage, then from focussing on the low effort.</p> <p>Finally CCIQ emphasises the need for the framework and regulatory reform agenda to focus on the objective of cultural change. CCIQ does not agree that the framework be focussed on picking single or a few approaches to reform. A successful regulatory reform agenda will include a number of approaches concurrently targeting different aspects of reform in a comprehensive framework.</p>
<p><b>6.8 To what extent should review of regulation be undertaken by an independent entity to ensure an impartial and authoritative review, particularly for major reviews?</b></p>	<p>CCIQ believe that an important element of the ‘cultural change’ process will be for agencies to take ownership of the regulatory reform process. Agencies therefore can and should be expected to review their own regulation and identify/develop reform priorities.</p> <p>Agencies should be accountable and be incentivised by other aspects in the framework including the target for red tape reduction, ministerial onus of proof, and Cabinet and public reporting of reform progress. Additional mechanisms to maintain the impartiality and effectiveness of agencies reviews of regulation will be improved consultation protocols and regulatory impact assessment processes.</p> <p>What should however be independently assessed is regular progress reports or stocktake reports against the baseline and target.</p> <p>Other aspects which should also be kept independent (and delegated significant authority) include the decision making regarding exemptions and quality of RIS/RAS and advice regarding the cost-benefit analysis .</p>
<p><b>6.9 Given the possible scale of the task of reviewing the total stock of regulation and the knowledge of those responsible for design and implementation of the regulation how should they be involved?</b></p>	<p>CCIQ wishes to highlight the distinction between calculating the total stock in order to establish a baseline (upon which the target can be based) and the ongoing forward focussed task of reviewing existing regulation for deregulation and simplification. In this former case, this is a project that needs to be completed by agencies and departments under the oversight and guidance of the OBPR.</p>
<p><b>6.10 To what extent should the Queensland Government commit to building capacity in portfolio departments for evaluating and reviewing regulation?</b></p>	<p>However any subsequent reviews of the total stock of regulation (the later) involving reviewing the detail, burden, complexities and effectiveness/efficiency of the stock of regulation should be completed as a partnership between all stakeholders including the Queensland Government, local Government, industry associations</p>
<p><b>6.11 What arrangements should be made to ensure adequate consultation</b></p>	

<p><b>and ensure transparency of the process?</b></p>	<p>and the business community.</p> <p>CCIQ is of the view that consultation and engagement with the business community is best actioned and coordinated through or via industry associations and business representative groups who have broad access to business owners across Queensland. Businesses are understandably reluctant to discuss the details of their regulatory compliance issues with regulators and Government officers. Often it is the case that a result of the complexity and burden of regulation is that businesses find themselves being non-compliant in a number of areas and therefore may be fearful of retribution if they are open and honest about compliance issues and costs.</p>
<p><b>6.12 How should agency regulatory reduction targets be set to take account of differences in departmental scope to reduce the burden of regulation?</b></p>	<p>Depending on the baseline measure and the methodology adopted, it is not unconceivable that every department equally contribute to the 20 per cent reduction target, based on their own individual baseline. For example based on the baseline regulatory requirements count for Department A was 1000 and Department B was 2000, these departments would be expected to achieve a 20 per cent target of 200 and 400 requirements respectively.</p> <p>Whilst 20 per cent is the initial target, CCIQ believes that the focus should not be on this exact figure but rather on the cultural change and efficiency of government regulation. This target amount should be seen as the minimum and not the upper limit or full potential for reform.</p> <p>Most jurisdictions have found/demonstrated that once there is momentum and commitment behind the reform process, greater outcomes have been achieved than original envisaged. This was demonstrated in British Columbia where their initial target was 1/3 (or 33%) and they far exceeded that target achieving an actual reduction of 46%. Similar outcomes were achieved in Victoria where the initial target was 25% or \$xx million and once achieved the Government increased the target and delivered a far greater net reduction over the same timeframe.</p> <p>CCIQ do not agree with statements made in the discussion paper regarding the differences in departmental scope to reduce the burden of regulation nor do we agree that cost-effective regulations should be excluded from reform and review programs as this ignores the fact that red tape is caused primarily by the cumulative effect of all areas of regulation. Accordingly</p>

	specific agency regulatory reduction targets should not need to take account for differences. Agencies should be encouraged (possibly with the use of regulatory budgets)
<b>6.13 What incentives or sanctions can be introduced to encourage action to reduce the burden of regulation?</b>	<p>The balance between incentives and sanctions (or carrots and sticks) will change over time. In the early stages the sanctions and control mechanisms may be more effective in driving cultural change than incentives. That is, mechanisms such as zero net growth, targets, Cabinet reporting and Ministerial and CEO performance reporting may be more effective.</p> <p>Once a cultural shift in the way regulation is viewed and an understanding of how red tape effects businesses is developed, there may be greater room for incentives and less need for sanctions and punitive restrictions.</p>
<b>6.14 Is it reasonable to place the onus of proof for the continuation of regulation on the entity responsible for it and to remove the regulation unless that entity can establish it is in the public interest to retain it?</b>	CCIQ agrees that greater accountability needs to rest with the regulators to argue their case for regulation and to demonstrate that no other form of action, statutory or quasi-regulatory instrument can deliver the same outcome and address the issue. Evidence from other jurisdictions demonstrates that this approach can lead to more efficient regulation and a net reduction in red tape.
<b>6.15 What is the appropriate timeframe for a Government decision following a regulatory review?</b>	<p>All reviews of regulation including sunset reviews should be conducted prior to the expiry date for that sunset clause and or regulation. The expiration or sunset date is not the trigger for the review to commence; this is the date upon which a decision must be made for its expiry or its re-enactment. With this in mind, reviews should be conducted and decisions made in a timely manner prior to the expiration date of the regulation.</p> <p>It has become common practice within the Queensland Government to seek approval for temporary roll-overs of regulation as agencies have failed to complete reviews prior to the expiration of regulatory instruments. CCIQ believes stricter protocols need to be put in place to limit the number of extensions and temporary roll-overs granted across government. This will act as an incentive for agencies to complete reviews and make decisions regarding the retention or otherwise of regulation.</p>

### Identifying and Prioritising Areas for Regulatory Review

Consultation Issues/Recommendations	CCIQ Response/Position
<p><b>7.1 Which criteria are relevant for establishing priorities for, and the sequencing of, regulatory reviews? Some proposed criteria are set out in section 7.2; in brief the criteria are:</b></p> <ul style="list-style-type: none"> <li>• unnecessarily burdensome regulation;</li> <li>• ‘reach’ of the regulation to the</li> </ul>	<p>As has already been highlighted, CCIQ does not support the use of broad criteria which will serve to limit the opportunities for regulatory reform and red tape reduction. The process of trying to isolate individual or specific aspects of regulation that are “unnecessarily burdensome, excessive or complex” is often more difficult than first assumed and meets significant drawback from agencies who in many if not most cases will be able to justify the need or public benefit of such areas or</p>

<p><b>business community and the public;</b></p> <ul style="list-style-type: none"> <li>• <b>substantial net benefit from reform, including wider benefits for business, Government and the community (e.g., greater competition);</b></li> <li>• <b>community acceptance;</b></li> <li>• <b>regulation not changed recently or about to change; and</b></li> </ul> <p><b>regulation with social or public good objectives where it is not clear that there is a strong case for change should be excluded.</b></p>	<p>aspects of regulation.</p> <p>CCIQ believes everything and anything should be up for review and agencies should develop priority lists or hot spots following consultation with industry.</p> <p>However CCIQ agrees that regulations that have broad coverage across business and industry sectors or which have been identified as impacting on business growth and competitiveness should be considered of highest priority.</p> <p>Finally CCIQ believed a degree of caution should be exercised in setting a framework that allows regulation with some degree of social or public good objectives to be excluded, especially if these areas impose significant cost on businesses to achieve these objectives. A review may indeed highlight more effective or efficient mechanisms for achieving the same or similar outcome.</p>
<p><b>7.2 The Authority is interested in priorities in relation to regulation that affects both the business sector and the general community.</b></p>	<p>Refer to Section 3 for details of identified red tape issues.</p>

### A Regulatory Management System for Reducing and Improving Regulation

Consultation Issues/Recommendations	CCIQ Response/Position
<p><b>8.1 Are there important characteristics of an effective regulatory management system not discussed here?</b></p>	<p>CCIQ highlights the need to strike the right balance between the need for a supporting framework to reduce the burden and cost of red tape whilst also ensuring additional ‘red tape’ and bureaucracy is not embedded within the policy and regulatory development process. It is important to ensure that agencies, Ministers and Cabinet are still able to efficiently and effectively respond to emerging issues and priorities whilst having controls to ensure that any regulation, policy or statutory instrument implemented is cost effective and does not erode the efforts of the reform agenda.</p> <p>CCIQ would also seek assurances that the process of developing and agreeing on the “process and framework” for regulatory reform does not receive undue attention and remove focus of resources and efforts away from the task at hand to actually deliver regulatory reform and cost savings to business, Government and the community.</p> <p>The Queensland Government is concurrently committed to fiscal responsibility and better economic management, which includes an efficient and effective public service. Just as the business community needs to be unshackled from the burden of regulation in order to improve productivity and competitiveness, the public service also need to be unshackled from the internal governance and</p>



	<p>bureaucratic red tape that may limit productivity and efficiency of service delivery.</p> <p>CCIQ understand that the Queensland Government has previously invested considerable effort into improving the framework for regulatory efficiency and reform. The previous QORE over a period of five years has reviewed and developed a number of regulatory protocols, systems and policy frameworks. CCIQ would see it as being unfortunate if this work was lost and duplicated again by the newly established OBPR.</p>
<p><b>8.2 How can regulatory objectives and roles be more clearly defined in Queensland?</b></p>	<p>A public commitment (election commitment) and broader Cabinet agreement on the 20 per cent red tape reduction target should provide the necessary clarity on the objectives for regulatory reform.</p> <p>CCIQ questions the need for additional ‘red tape’ within Government linked to the regulatory reform agenda. CCIQ does not see a need to duplicate established policy and regulatory best practice theory with tools such as regulatory policy statements or a statement of regulatory expectations.</p> <p>The expectations of proposed and amended regulation public benefit tests are already clearly established under RIS/RAS and parliamentary guidelines.</p> <p>CCIQ notes that Ministers and CEOs also have clear expectations outlined in their Charter Letters and this should be sufficient to drive and maintain clarity and make the objectives of the Government clear.</p>
<p><b>8.3 What changes should be made to parliament and Government responsibilities and accountability for regulatory review to facilitate reduction in the burden of regulation?</b></p>	<p>Again the ministerial and CEO charter letters clearly articulate the responsibilities and expectations of Government.</p> <p>CCIQ supports the appointment of a Minister with responsibility for regulatory reform. The more successful regulatory regimes are characterised by this responsibility sitting at the highest level of authority such as chief minister or premier. The role of the minister with responsibility for regulatory reform is to act as Cabinet and parliamentary champion for the regulatory reduction and oversee the accountability of the other Cabinet Ministers to ensure they remain committed and act in accordance with commitments to regulatory reform and efficiency. This minister must have appropriate authority to question decisions and policies that do not meet the criteria for best practice regulation and which may impose unnecessary burden on the business community.</p>
<p><b>8.4 What incentive and penalty mechanisms can be put in place to</b></p>	<p>CCIQ emphasises that a comprehensive framework with all the essential elements of regulatory best practice will</p>

<p><b>ensure ongoing commitment to reducing and improving regulation?</b></p>	<p>itself provide the greatest incentive and/or penalty without the need for additional mechanisms to be put in place or rewards provided to agencies for their efforts.</p> <p>CCIQ’s recommended framework has been outlined in the introduction to this submission, and includes sufficient political leadership and authority, ministerial accountability, establishment of a baseline, a ‘net’ target for reducing the existing stock of regulation, policies to stem the flow of new regulation (such as a regulatory budget, sunseting, and regulatory reviews/simplification plans), and transparency through regular reporting.</p>
<p><b>8.5 How can the current capability of the Government to undertake regulatory reform be developed?</b></p>	<p>Agency Regulatory Reform Champions can assist in communicating the Government’s commitments and gain officer level engagement to the reform agenda.</p> <p>Regulatory and policy officers should be reminded of the policy and regulatory development processes. The role of the OBPR, provided with sufficient authority, should include oversight of adherence to best practice.</p>
<p><b>8.6 How can consultation and transparency in relation to regulatory reform be improved.</b></p>	<p>One of the most important aspects of a best practice regulatory reform framework is regular public progress reporting against the baseline and targets. CCIQ notes that this element has been left out of the discussion paper. CCIQ strongly recommends that the Queensland Government commit to six or twelve monthly reports on regulatory reform progress. These reports would detail the reductions and savings delivered by agencies and include forward schedule of planned reductions and savings. Three essential elements of this reporting framework is that it be completed and assessed in a consistent manner/methodology, it be compiled and assessed by an independent authority, and that for full transparency and accountability it be publically released according to established release deadlines.</p> <p>In regards to consultation regarding regulatory reform, CCIQ are supportive of the previous Governments improved consultation guidelines. The most important element of consultation is to ensure it is conducted at the most appropriate stage in the policy/regulatory development cycle and that any engagement or invitation for feedback on proposals represents genuine consultation and is used to genuinely influence an outcome and the decision making process. A key criticism of the previous Government’s consultation activities is that insufficient time had been allowed for stakeholders to provide informed positions and feedback.</p>
<p><b>8.7 Do you support the concept of a whole-of-Government regulatory management system?</b></p>	<p>Notwithstanding our previous comments regarding individual aspects of the whole-of-Government regulatory management system, CCIQ is generally supportive of the proposed whole-of-Government regulatory management</p>

	<p>system and believe it is important to the process of driving cultural change across government.</p>
<p><b>8.8. Are there alternatives for ensuring a whole of Government approach to regulatory reform?</b></p>	<p>CCIQ again highlight the important role that the broad framework plays in gaining whole of government commitment and maintaining momentum in regulatory reform progress. This framework must include sufficient political leadership and authority, ministerial accountability, establishment of a baseline, a 'net' target for reducing the existing stock of regulation, policies to stem the flow of new regulation (such as a regulatory budget, sunseting, and regulatory reviews/simplification plans), and transparency through regular reporting.</p>
<p><b>8.9 Is there a need for an overall training function to help portfolio departments improve their regulatory reform capability?</b></p>	<p>CCIQ believes that policy and regulatory officers should already be equipped with sufficient skill and tools to meet regulatory reform and efficiency objectives.</p> <p>However CCIQ believes that the OBPR could support agencies by providing information about alternative instruments to regulation and examples of best practice outcomes to support the policy development process.</p> <p>CCIQ also firmly believes that regulatory agencies need to improve their engagement strategies with industry and community stakeholders and develop a better understanding of how businesses operate and how industry responds to regulatory and compliance requirements.</p>
<p><b>8.10 Is there merit in establishing a one-stop shop or similar mechanism to reduce the duplication of regulation without reducing the effect of regulation?</b></p>	<p>The concept of a one-stop-shop or single entry point for businesses to liaise with Government only addresses one aspect of the broader red tape issue – it is relevant to the information costs of regulatory compliance.</p> <p>As a concept it has general support from the business community, however is dependent still on the quality of support, advice and information provided through this “portal” or contact point. A key challenge in implementing this solution is that officers working in this area would need to be sufficiently informed/skilled and in practice be experts across a very large number of business regulatory and compliance areas in order for this solution to be effective.</p> <p>CCIQ does not believe that businesses essentially have an issue with contacting various agencies, provided the quality of information and level of service offered meets their needs. Additionally business contact with regulatory agencies would be reduced if the complexity of compliance and the quality of the initial information was improved. Accordingly CCIQ would prefer to see investment in service delivery within agencies rather than time and resources invested in creating new ‘portals’ or service delivery arms of Government.</p>

	<p>To best address this issue the Queensland Government need to work on a number of key areas:</p> <ul style="list-style-type: none"> <li>- How they consult and engage through the policy and regulatory development stages (at proposal stage) so that they develop solutions in the best interests of stakeholders;</li> <li>- The language used in publications and the sources of information provided to stakeholders. Again guides, handbooks, websites and forms are best developed in consultation with stakeholders and industry associations; and</li> <li>- The use and structure of online content and departmental websites which are largely developed with Government structures and frameworks rather than with an end-user or client focus.</li> </ul>
<p><b>8.11 Is there merit in establishing a formal permanent mechanism for individuals and firms affected by regulation to make a case for the redesign of regulation?</b></p>	<p>CCIQ is supportive of a permanent process for stakeholders and industry associations to lodge issues, complaints and suggestions for regulatory reform.</p> <p>The success of such mechanism does however rely on how well this is communicated and also ensuring that there is a formal feedback or response loop. The previous state Government (through the Queensland Treasury/QORE) had a similar mechanism, however we are not aware of any significant take-up or success of this project/tool.</p> <p>CCIQ also notes that industry associations may be better placed to collect this information or act as gatekeepers for such mechanisms due to issues of business confidentially and fear of retribution for recommending or raising issues.</p>

### Examples of the Burden of Regulation in Queensland

Consultation Issues/Recommendations	CCIQ Response/Position
<p><b>9.1 What are the key problems that local Governments face in relation to their role in developing and administering local laws, regulations, codes and guidelines?</b></p>	<p>It must be recognised that most businesses do not distinguish between the levels of government when referencing red tape and compliance issues. Most businesses are aware of “what they must do” and “who they must liaise with” to be compliant but are not concerned with the specific detail of the underlying regulatory clauses, levels of authority, or delegation of regulatory oversight.</p> <p>There are a number of key issues raised by Queensland businesses in relation to the service delivery and the administration of regulation at the local government level, including:</p> <ul style="list-style-type: none"> <li>• the issue of interpretation and the level of experience of local government officers liaising directly with business owners</li> </ul>

	<ul style="list-style-type: none"> <li>the inconsistencies across local government boundaries and the imperative placed on local government by the community to reflect local and regional values in regulation and compliance requirements.</li> </ul>
<p><b>9.2 What specific reform options are recommended for local Government regulation in general and why?</b></p>	<p>Refer to Section 3 for details of identified red tape issues.</p>
<p><b>9.3 How does Queensland compare with other states in adopting leading practices for local Government regulation?</b></p>	<p>CCIQ were highly supportive of the review and reform of the Local Government Act which resulted in the removal of many inconsistent, duplicative and irrelevant local laws. The development of Model Local Laws was an initiative welcomed by the business community. CCIQ believe there is a role for the State Government to ensure that over time local governments continue to be limited in their ability to introduce new or additional local laws that will erode the benefit and intent of the original reforms. Accordingly CCIQ believe that local governments should be encouraged to adopt the same Regulatory Reform Framework as the state government including commitment to the 20 per cent red tape reduction target, regulatory budgets such as a no net growth policy, and mechanisms to stem the flow of new regulation and local laws.</p>
<p><b>9.4 Please comment on issues with respect to identifying regulatory burdens and approaches for reform for: a) native vegetation regulation; and b) water sensitive urban design (WSUD) regulation.</b></p>	<p>Refer to Section 3 for details of identified red tape issues.</p>



## SECTION 3: RED TAPE REFORM PRIORITIES

- 3.1 While CCIQ firmly believe it is the total sum of regulatory compliance (the cumulative effect) that act as a brake on business and economic growth, we champion the need to make inroads into red tape by initially targeting specific aspects or areas of regulation causing the highest level of burden.
- 3.2 Extensive direct business consultation together with CCIQs Red Tape Case Studies have highlighted a number of key regulatory issues and areas of high cost that are common for businesses across industry sectors and regions in Queensland. These issues, covering federal, state and local government areas of regulation, have been summarised in the following table.

### BUSINESS RED TAPE 'HOT SPOTS'

Area of regulation	Business Issues and Recommendations
<b>Industrial Relations</b>	<p>Workplace adjustments following introduction of the Fair Work Act and the new Modern Award system considered one of the most costly areas of regulatory compliance by the business community. Key complaints/issues:</p> <ul style="list-style-type: none"> <li>• Poor information dissemination prior to and immediately following introduction;</li> <li>• Poor and inconsistent advice provided by departmental officers;</li> <li>• Excessive processing timeframes and long delays for modern award agreements; some industries with high turnover of staff required to submit new agreements on almost a monthly basis significantly increasing the HR and IR consultancy costs;</li> <li>• Complicated calculation methodologies for modern awards;</li> <li>• Costly and time consuming audits of compliance with Fair Work policies.</li> </ul>
<b>Workplace Health and Safety</b>	<ul style="list-style-type: none"> <li>• Constant changes to the WHS requirements and ongoing duplication with national and state laws causes significant cost and burden for business owners.</li> <li>• WHS system is excessively complex, open to interpretation and difficult for business owners to understand and implement; government advice is inconsistent.</li> <li>• Reporting and documentation is excessive</li> <li>• Staff training requirements costly and burdensome, taking employees out of the business and reduces productivity</li> <li>• Manual Handling Code of Practice in particular is complex (difficult to determine applicability to business) and restrictive (not consistent with reality of business environment and reduces workplace productivity).</li> <li>• Requirement for daily toolbox meetings and safety updates on all major project sites reduces productivity, extends the timeframes for projects and increases the cost of projects.</li> <li>• Energy rating required to be displayed for all equipment and tools used on worksites; and regular audits undertaken to certify energy ratings.</li> <li>• Minimum number of tradespersons required on site/at specific</li> </ul>

	<p>project intervals (i.e. no one tradesperson is allowed to work unaccompanied by another) resulting increased costs and reduced productivity;</p> <ul style="list-style-type: none"> <li>• Minimum speed limits for vehicles required to be observed on worksites (e.g. the Airport Link Tunnel took 35 minutes to travel full length if observing required speed limit, impractical during periods when there are limited workmen on site and/or afterhours)</li> <li>• Working at heights and safety harness requirements are impractical and reduce the productivity of tradespersons; also leads to frequent breaches due to technicality (e.g. a safety harness is required to get up onto the back tray of a ute; requirement to maintain two touch points on a solid surface for a builder on a ladder holding/using tools)</li> </ul>
<p><b>Food Regulation and Food Standards</b></p>	<ul style="list-style-type: none"> <li>• Compliance with multiple duplicative and excessive requirements outlined across a number of instruments including Food Safety Standards, Commonwealth and State based Acts and Regulations and Local Laws.</li> <li>• Frequent changes and updates to food safety laws and compliance requirements (in particular food labelling requirements) and poor communication with food business owners/operators.</li> <li>• Excessive monitoring, record keeping and reporting required to be undertaken by the business owner/ operator, often with little direct link to actual food safety outcomes.</li> <li>• Inconsistent interpretation by food safety officers and excessive audits and inspections which regularly result in additional compliance activities for the business owner/operator.</li> <li>• Inconsistency, duplication (applications, forms, licences, reporting and audits) and nonsensical compliance requirements for operators of mobile food vendors.</li> <li>• Introduction of policies and laws in other areas that impact on the operation and profitability of food businesses without adequate consultation and consideration of the impacts (e.g. Queensland Health introduction of food and drink supplied in schools, regular changes to food content and labelling, advertising controls for food).</li> <li>• Rigid national food standards not providing flexibility to accommodate technology and innovation in the sector and timeframes for review/change are long.</li> <li>• Large supermarket chains implementing their own food standard and compliance requirements which exist in addition to and extend above national regulated standards; no certainty provided to businesses.</li> <li>• Food labelling and nutrition information continues to have jurisdictional inconsistencies; and regular changes are costly to businesses required to alter packaging materials.</li> <li>• Safe Food Queensland – duplication across responsibilities, compliance requirements and inspections for primary producers with national accreditation scheme and the additional compliance/audits carried out by the national food/retail chains</li> </ul>

	<ul style="list-style-type: none"> <li>• Food safe/HACCP auditors have different interpretations which vary over time and are perceived to be inconsistent to the extent that at times they appear to raise increasingly minor or immaterial issues that have little benefit in the food chain, but significant compliance cost to the operator.</li> </ul>
<b>Taxation and Financial Reporting</b>	<ul style="list-style-type: none"> <li>• Requirement to submit multiple copies of financial reports and statements. With the transition to online submittal technologies, it seems illogical that businesses still have to print hard copies and send a separate electronic copy of statements. One business provided us an example where they had submitted a financial statement online but received a fine a month later as they had failed to send 2 copies of the statement on a USB/DVD device</li> <li>• With the increased use of electronic accounting, online reporting, and online submittal of financial and taxation statements, the continued statutory requirement for businesses to keep financial records in hard copy for 7 years is excessive.</li> <li>• The cost of record keeping and storage accounts is significant for many small and medium businesses in terms of the office/storage space occupied by such records and/or the cost of offsite secure storage.</li> </ul>
<b>Payroll Tax</b>	<p>Aside from the financial cost of the payroll tax liability which prevents business expansion and reduces profitability, business owners report that:</p> <ul style="list-style-type: none"> <li>• monthly calculation and payment process is time consuming and could be streamlined;</li> <li>• timeframes for lodgement and payment at the end of each month are too short and often does not align with other business accounting processes; penalties for late lodgement are high;</li> <li>• the OSR website has poor information and guidance on payroll tax requirements and the lodgement system is inefficient, requiring excessive information entry</li> </ul>
<b>Workplace Health and Safety</b>	<ul style="list-style-type: none"> <li>• Constant changes to the WHS requirements and ongoing duplication with national and state laws causes significant cost and burden for business owners.</li> <li>• WHS system is excessively complex, open to interpretation and difficult for business owners to understand and implement; government advice is inconsistent.</li> <li>• Reporting and documentation is excessive</li> <li>• Staff training requirements costly and burdensome, taking employees out of the business and reduces productivity</li> <li>• Manual Handling Code of Practice in particular is complex (difficult to determine applicability to business) and restrictive (not consistent with reality of business environment and reduces workplace productivity).</li> <li>• Businesses believe that much of the legislation has been developed with notional applicability to safety requirements for major projects, construction, mining and manufacturing sectors resulting in compatibility and compliance challenges for other</li> </ul>

	<p>sectors</p> <ul style="list-style-type: none"> <li>• There is no standard that a business can test against to satisfy themselves that they have met a satisfactory standard. The laws are very subjective and at the end of the day with such an onerous burden of proof on the owner, the owner is liable if an accident occurs and has to incur the costs of proving they have done everything foreseeable when being judged against the hindsight of the incident.</li> </ul>
<b>Workers Compensation</b>	<ul style="list-style-type: none"> <li>• WorkCover audits and inspections are costly and highlight inflexibility in the scope of the legislation; inconsistent scope of audits and different application of legislation by auditors is frustrating to businesses who feel that they are constantly having “goal posts” changed.</li> <li>• WorkCover premiums significant issues for large farm business who are assessed as having high risk, especially those who operate seasonally and with peak periods.</li> <li>• There is no basic training standard to ensure that workers are pre-trained and competent in safe work practices in a number of specific industries, such as a “farm ready card” or “manufacturing card” the equivalent of say a “forklift drivers permit” or a construction industry “white card” to certify that an employee has undergone basic safety training. With significant foreign workforce, and the language and cultural differences, it is even more difficult to ensure workers have a basic understanding of work safe practices, and it is not very cost effective to be continually training new seasonal short term/high turn-over employees.</li> </ul>
<b>Superannuation</b>	<ul style="list-style-type: none"> <li>• For small and medium businesses without separate payroll and HR functions, the processing of wages and superannuation payments is undertaken manually by business owners/managers.</li> <li>• Since the introduction of Superannuation choice of fund, some small businesses often have to process superannuation manually into multiple separate accounts. The process requires separate accounts/logins to be held with each superannuation fund, and for business owners to manually log in, transfer monies, and print reports on every payroll date.</li> <li>• This is costly and time consuming; for example CCIQ case studies estimated this process to cost one business with 30 employees 8 hours per month at a cost of \$14,400 per year; for another business with 25 FTE and 15 casual employees the time required was 13 hours per month at a cost of 16,200.</li> <li>• Businesses have recommended that a form of superannuation clearance system would reduce the time and cost of processing superannuation.</li> </ul>
<b>Property Agents Act</b>	<ul style="list-style-type: none"> <li>• A substantial amount of time is required to ensure compliance with the Act and the real estate industry code of conduct and to remain up-to-date with ongoing changes.</li> <li>• Application and annual renewal of corporate and individual licenses is time consuming, has high paperwork/administration and is costly; License renewals require certified photo</li> </ul>

	<p>identification and proof of identity documents. There is significant duplication across licence classes for principal, business premise, auctioneers and sales agent.</p> <ul style="list-style-type: none"> <li>• The time and process required for execution of contracts is long and the process complicated; Contracts within the legislation have progressively become too long and complicated such that evidence from the industry is that individuals are now less protected and less aware of their legal responsibilities than before.</li> <li>• The record keeping and storage costs are significant for the industry due to requirement for hard copy and electronic copies of all contracts to be kept for 7 years.</li> <li>• Conflicting advice is often provided by the department, perhaps due to the complexity of the Act;</li> <li>• Trust account audits and lodgement to the department at different times throughout the year is costly.</li> <li>• Ongoing addition of additional forms and processes to sales contract (e.g. sustainability report which is not considered valuable and is rarely given attention by parties to the contact, and the new pool safety certificate which just adds additional cost to the contract process). Industry evidence is that these additional requirements detract from the legal execution of the contract and provide greater opportunity for parties to exit the agreement.</li> </ul>
<p><b>Transport Licences</b></p>	<ul style="list-style-type: none"> <li>• Guidelines and permits applicable to heavy vehicle use on Queensland roads; undertake routine vehicle inspections and hold Certificate of inspection:</li> <li>• High administrative burden (complex forms and approval process) and high application fee cost</li> <li>• Significant delay by department in processing applications results in opportunity costs for operators due to delay in project timeframes</li> <li>• Compliance with National Heavy Vehicle Accreditation Scheme including application, fees and renewal, 5 types of regulated independent vehicle audits plus spot checks incurring audits fees and charges; records management and lodgement to regulator, compliance with scheme standards.</li> </ul>
<p><b>Retail Shop Leases Legislation</b></p>	<ul style="list-style-type: none"> <li>• The Retail Shop Leases Act 1994 and associated guidelines and fact sheets are complex and costly, especially for small and regional businesses. The regulatory requirements are not reflective of the reduced risk exposure of small businesses entering small scale lease agreements and as such the associated costs of executing a lease are high for both parties involved.</li> <li>• It has been calculated that the regulation includes 134 prescribed requirements in total, many of which require the parties to collect and present extensive data and information about their business/business premise at a significant time and external consultancy cost (e.g. requirement for financial reports and advice requires assistance of accountants and solicitors).</li> </ul>



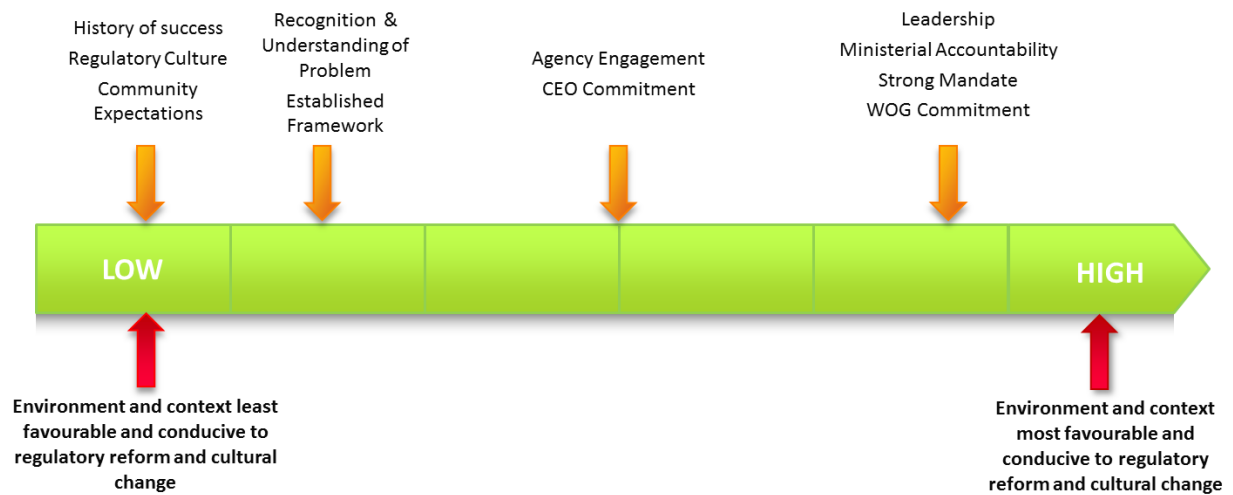
	<p>These costs are in addition to the time and subsequent legal costs for the actual execution of the lease agreement.</p> <ul style="list-style-type: none"> <li>• The complexity of the requirements and the statutory process/procedure are the most significant issues, especially for small business owners without the experience or legal nous to understand and meet their responsibilities and requirements. In most cases small businesses are negotiating lease agreements in small complexes or single premise buildings. While the department has published guidelines they are still significantly vague to warrant the need for both lessors and lessees to seek legal advice.</li> <li>• Businesses believe the extent to which the Act and Regulation detail lease requirements is reflective more so of the protection required for larger businesses operating in large complexes and shopping centres and does not reflect the low complexity of shop lease arrangements for small business, especially in regional and remote areas.</li> </ul>
<b>Fire Safety</b>	<ul style="list-style-type: none"> <li>• Extensive reporting and record keeping requirements including development of Fire Safety Management Plan and workplace systems checks/record of staff training and audits.</li> <li>• Impractical requirements outlined in the Fire Safety Guidelines and regulation.</li> <li>• Costly retrofitting of business premises to meet regulatory obligations.</li> <li>• Costly periodic audits of workplaces and ongoing inspections of fire safety equipment by independent auditors/inspectors.</li> </ul>
<b>Asbestos Management in Business Premises</b>	<p>Workplace Health and Safety Regulation 2008 (Part 13) describes how a business owner is to prevent or minimise an asbestos related risk in the workplace. It refers to the national asbestos management code and the asbestos removal code and specifies that the practices, procedures and requirements set out in these codes must be complied with in the same manner as the regulation. A number of aspects of this code impose reporting and monitoring requirements on business including:</p> <ul style="list-style-type: none"> <li>• Asbestos must be identified and assessed by a adequately qualified inspector.</li> <li>• A hazard assessment must be undertaken and documented for identified asbestos.</li> <li>• Asbestos must be documented in a readily available register, and this must be updated annually.</li> <li>• Business owners must develop an Asbestos Management Plan.</li> <li>• Business owners must take action to remove and manage asbestos.</li> <li>• Persons in the workplace must be provided training and all visitors notified of asbestos and referred to the register and management plan.</li> <li>• All of the above must be completed and reviewed annually.</li> </ul>
<b>VET System and Skills</b>	<ul style="list-style-type: none"> <li>• The VET system is complex to understand and navigate with multiple websites, bodies, organisations and support centres. Different aspects of the system are administered by state and federal government meaning that employers are often</li> </ul>

	<p>passed/referred to multiple contact points when trying to understand an issue or seek resolution of an issue.</p> <ul style="list-style-type: none"> <li>• Paperwork and reporting required to commence and progress apprentices and trainees is extensive and time consuming. Businesses owners/manager also have daily /weekly ongoing reporting responsibilities for their apprentices which can be onerous for employers without a detailed understanding of skills and competencies</li> <li>• Understanding eligibility and applying for VET subsidies and payments is time consuming and onerous for employers. Employers have advised that the red tape involved in VET system erodes the benefit of receiving such payments.</li> </ul>
<p><b>Liquid Trade Waste Regulation</b></p>	<ul style="list-style-type: none"> <li>• Multiple cost points and overlapping fees and charges (issued separately via separate instruments/processes) results in high compliance cost for business.</li> <li>• Annual licence/permit renewal is unnecessary when it is assumed that the regulatory compliance requirement to install grease trap and manage trade waste is long-term/ongoing. Little to no variation in permit/licence occurs between renewal periods.</li> <li>• Separate applications made to local council for initial Trade Waste Approval Permit (permit to have a grease trap/discharge waste) and permit to carry out plumbing works to install the grease trap which is implied activity if/when making the Trade Waste application.</li> <li>• Multiple monitoring, reporting and record keeping requirements for businesses to demonstrate compliance and account back to council; produced at a cost and are irrelevant to business operation and standard business procedures/reporting.</li> <li>• Council audits and inspections of grease trap compliance and discharge testing/analysis is costly to the business and considered unnecessary when audits duplicate “processes” undertaken by the waste transporters who undertake site maintenance at a minimum 3 month frequently.</li> <li>• Regulation prescribes or mandates the use of a grease trap and details discharge management requirements based on business type/sector rather than actual business activity (and actual discharge). No opportunity or incentive is provided to business to change business practices and reduce/eliminate discharge.</li> <li>• Significant cost of compliance defers business effort away from the objective of the legislation to minimise environmental harm (i.e. reduce actual trade waste generation and discharge).</li> </ul>
<p><b>Small Grants and Government Procurement</b></p>	<ul style="list-style-type: none"> <li>• The application process for small grants and procurement opportunities is complex and time consuming for small and medium businesses; most application and tender processes involve multiple documents and guides, significant reporting and the writing of business cases.</li> <li>• Many businesses engage the help of consultants and tender writers to help complete applications which erodes the financial gain/benefit of participating; and disadvantages those</li> </ul>

	<p>businesses who cannot afford to engage external parties.</p> <ul style="list-style-type: none"> <li>• In some cases businesses are required to submit significant amounts of financial data and reports that demonstrate their capacity and financial stability for projects with small scope/low dollar value; there is a firm belief across the business community that often the time, cost and risk management is not proportionate to the actual value of the grant/project.</li> <li>• There is a general view help by businesses that the departments/government CEOs are trying to remove all risk and accountability over projects rather than attempting to manage risk. The past issues with significant government projects/grant programs has resulted in increased obligations on grant/tender recipients, rather than a focus on greater skills and accountability for the bureaucracy.</li> <li>• The requirement for all parties, even sub-contractors to take out public liability insurance on major projects results in significant cost to the participants. It is viewed as a lucrative arrangement for the insurance companies who in some cases end up with multiple policies covering the same project (e.g. a business provided us with an example where the architect, consultant, town planner and construction company all held insurance policies for the same project site in addition to the main policy help by the project manager. Each policy cost in excess of \$20,000).</li> <li>• Acquitting of small grants (independent audits, reports and paperwork) is significantly costly and burdensome for small business and often is not proportionate to the size of the original grant.</li> <li>• These issues and red tape act as a disincentive for small business to access grants and projects. Many businesses have told us that after participating in their first procurement/grant opportunity they would never participate again in the future.</li> </ul>
<p><b>Other</b></p>	<ul style="list-style-type: none"> <li>• Requirement across all government agencies for witness (Justice of the Peace and/or Commissioner of Declaration) to certify identification for almost every form and application. This represents a significant time and financial cost for business owners and delays application processes (particularly for businesses located in regional/remote areas where access to witnesses is limited).</li> <li>• Water safety and dam safety (related to increased regulation associated with pool safety and prevention of drowning) the risks involved are significant, especially where increasing urban encroachment and development is occurring placing pre-existing safe dams within unsafe zones causing the owners cost to upgrade for safety. Some sharing of this cost should be borne by the adjoining development/change of use prior to their being granted development approval.</li> <li>• Chemical storage and management of hazardous substances (applicable to gas, diesel and fertilisers). While most operators now have systems in place to control and manage this in a safe</li> </ul>

	<p>manner, the requirements would seem to go beyond what would seem necessary.</p> <ul style="list-style-type: none"><li>• General issue for agriculture and remote/rural businesses is the relevance and additional cost of compliance due to remoteness and ease of access to CBD based services. National and state based regulation does not give full appreciation to the distances from CBD services and the relevance of some safety and other compliance requirements to remote located businesses (e.g. public safety, noise and amenity controls, planning issues, submitting reports and citing proof of identity etc). Where internet or mobile phone services are not available or sub-standard this problem is exacerbated.</li></ul>
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## Appendix 1. Assessment of Queensland's Regulatory Reform Context



Continuum of Regulatory Reform Potential and Environment in Queensland