

Red Tape Committee
Department of the Senate
PO Box 6100
Canberra, ACT, 2600

11 October 2018

Re: Policy and process to limit and reduce red tape

The Queensland Tourism Industry Council (QTIC) welcomes the opportunity to respond to the Red Tape Committee on the inquiry into the effect of red tape on the economy and the community. QTIC continues to endorse a streamlined regulatory environment where future and existing government regulations are reviewed through a transparent process that takes a "customer centric" approach.

QTIC is the state's peak body for tourism in Queensland and represents the interests of the tourism industry. QTIC is an independent membership-based organisation with in excess of 3,000 members, operating in all sectors of the tourism industry, including business operators, Regional Tourism Organisations (RTOs), sector associations and education providers.

The tourism industry in Queensland contributed \$25.0 billion to Queensland's Gross State Product (GSP), representing 7.9% of total GSP¹ and generated \$7.1 billion in exports in the year ending June 2016², making it one of the state's largest export industries accounting for 14.8% of total Queensland exports. The tourism industry consists of over 53,000 businesses across Queensland; nine out of ten of these businesses are small to medium enterprises.

QTIC endorses a "first principles" review of legislation to determine what purpose specific legislation serves and if it is still fit for purpose, given the changes to the economy. Over the past ten years there has been a significant shift in business models and service delivery through digital transformation and the emergence of borderless trade, to name a few. As such, it is integral to ensure that legislation is still fit for purpose and meets industry needs and requirements, rather than creating undue burdens on business owners through overlap and complexity.

¹ Tourism Research Australia, *State Tourism Satellite Accounts 2015-2016*

² Tourism Research Australia - *State Tourism Satellite Accounts 2015-16*, Queensland Government Office of Economic and Statistical Research - Overseas exports of goods by industry.

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The *Travel and Tourism Competitiveness Index*³ rates Australia as 7th overall of 136 countries. However, Australia's *Business Environment* ranking is only 31st, with effects of taxation on incentives to work and invest, time required to deal with construction permits and business impact of rules on foreign direct investment severely impacting the overall ranking in this category. Regional trade agreements and price competitiveness (taxes, charges and purchasing power parity) are also negatively influencing the overall competitiveness of the destination. Such research suggests a fundamental issue with the structure of the regulatory environment and that by identifying and working to best practice models will not only assist businesses but will also work to enhance the global competitive standing of Australia.

From ongoing conversations with industry, QTIC identifies that a number of challenges arise from the complexity and overlap of regulations across local, state and federal levels. For many operators, the articulation of where the burden and complexity lie is difficult, the intricacy of issues and confusion surrounding requirements leaves many unable to define what exactly the problems are but causes concern and stress among many.

Some areas that have been defined include:

- **Over regulation** – operators are required to comply with a significant number of legislation with often overlapping regulation between local, state and federal authorities. A streamlined "one-stop-shop" that offers business owners a simple way of managing their regulatory requirements would remove some of the burden.
- **Permits and licence compliance challenges** – operators are face challenges to obtain permits and licences across local, state and federal governments from multiple different departments. The time and resources that this takes inhibits operator success.
- **Inequality issues** – as business models have evolved there are a number of inequality issues impacting traditional business model owners. The "uneven playing field" for digital disruptors and traditional models creates a sense of unfairness for operators. Clear positioning from the government, with a flexible approach moving forward would assist in levelling the playing field.
- **Workplace health and safety** – regulatory burdens are created with increasing costs associated with workplace health and safety requirements. With recent challenges within the theme-park sector, other operators across the sector are facing increasing training, compliance and safety requirements that are adding to the burden.
- **Parks legislation** – Australia's natural assets are a major attractor and a key source of competitive advantage. As businesses and communities drive meaningful action to protect, support and sustainably manage the natural assets, this action must be met with equal determination from those with the policy responsibility to drive the changes required. Reducing the compliance burden to access National Parks for operators that can protect and manage parks effectively would also work towards enhancing the competitiveness of the industry.
- **Visa issues** – Queensland, and Australia, is facing significant workforce challenges. It is anticipated that an additional 123,000 tourism and hospitality workers will be required by 2020. Yet the ability to source skilled workers remains a challenge for the industry. The complexity of the visa system and the burden on navigating the

³ World Economic Forum. *Travel and Tourism Competitiveness Index*, 2017 Edition.

intricacies of the visa subclasses and labour force agreements detracts from operators' ability to get the right people in the right position.

Further challenges are identified when legislation changes without adequate explanation of the implications for business owners. Clear information, with a customer focus, is important to minimise the impact on businesses and to facilitate compliance with any changes that are introduced.

Overall, QTIC supports the regular review of legislation to ensure that it is fit for purpose and meets industry needs. Furthermore, QTIC urges the government to take a streamlined, customer centric approach, to reduce the complexity associated with regulatory compliance.

Kind regards

Daniel Gschwind

Chief Executive

