

Attachment A

Key regulatory savings by portfolio

Department of Agriculture and Water Resources

- In December 2015, the Department of Agriculture and Water Resources implemented changes to the cost recovery arrangements for biosecurity and export certification funding. These changes ensure cost recovery arrangements support better import and export certification systems designed to deliver time savings by streamlining fees and levies for importers (with slight increases for some businesses where cross subsidisation has been removed). The Office of Best Practice Regulation agreed that this will lead to a net annual saving of **\$47.3 million** in compliance costs.
- The Australian Biosecurity Import Conditions (BICON) database became fully operational in July 2016. It provides ready access to the Government's biosecurity import conditions database of more than 20,000 plants, animal minerals and biological products, making it easier for importers to comply with their biosecurity import obligations. This has been estimated to lead to an annual saving of **\$26 million** in compliance costs.

Attorney-General's Department

Expansion of the Document Verification Service (DVS) to electricity providers

- The DVS has been expanded to allow third party organisations with a reasonable need to verify identity to use the DVS Commercial Service. The new service allows approved third parties such as banks and utilities companies to match government-issued identity credentials against the records of the issuing agency, leading to estimated annual savings of **\$11.9 million** in compliance costs.

Department of Communications and the Arts

Increasing flexibility for Australia Post

- The Australian Government introduced reforms to letter delivery regulations, increasing the amount of time available to Australia Post to deliver Regular services by two days and introducing a new commercial Priority service. The reforms allow greater operational efficiencies, such as a reduction in higher-cost overnight processing and greater automation of sorting. The OBPR has agreed that this will lead to an annual saving of **\$187 million** in compliance costs.

Department of Defence

Strengthening Australia's export controls to align them with international best practice

- On 2 April 2015, the *Defence Trade Controls Amendment Act 2015* received royal assent. The Act amended the *Defence Trade Controls Act 2012 (the Act)* to implement a more risk-based approach to Australia's export control regime. The amendments regulate entities involved in supplying controlled technology more closely, and explicitly exclude

others who may have previously been inadvertently captured by the Act. The Department of Defence has estimated that this will lead to an annual saving of **\$35.4 million** in compliance costs.

Department of Education and Training

Automation in child care management reporting

- The Child Care Subsidy is replacing the Child Care Benefit and Child Care Rebate with a single subsidy which provides financial assistance to meet the cost of child care for parents engaged in work, training, study or other recognised activity. Parents can record the times their child attends a child care service, reducing the need to manually alter session of care data in child care management software. Full attendance reporting is scheduled to commence in January 2019. The Office of Best Practice Regulation has agreed that this will lead to an annual saving of **\$103.7 million** in compliance costs.

Department of Jobs and Small Business (previously Department of Employment)

Removal of Road Safety Remuneration System and Tribunal

- On 19 April 2016, the *Road Safety Remuneration Repeal Bill 2016* received royal assent to abolish the Road Safety Remuneration System, which provided the biggest single regulatory saving, worth **\$444.5 million**. This removed a high degree of regulatory overlap between the Tribunal and other agencies who oversee road transport, safety and workplace issues.

Changes to requirements for job seekers

- In July 2015, the Department of Human Services (DHS) removed duplicate processes for job seekers who demonstrate they have met participation requirements. Over 500,000 job seekers will no longer need to attend Personal Contact Interviews with DHS, reducing the need to call the Department or visit a service centre. Instead, job seekers will continue to report their participation activities online and periodically meet with employment service providers to meet participation requirements. DHS has estimated this change will lead to an annual saving of **\$80.4 million** in compliance costs, shared equally with the former Department of Employment (now the Department of Jobs and Small Business).

Health and safety regulatory reforms

- Reforms to Work Health and Safety (WHS) regulations agreed by Commonwealth and state and territory governments between 2014 and 2016 contributed to annual compliance cost savings of \$53.7 million, of which the Commonwealth share was agreed at **\$26.9 million**. Implementation of Council of Australian Governments (COAG) recommendations to improve model WHS laws led to a further **\$21.2 million** in Commonwealth savings.

Department of the Environment and Energy (previously Department of Environment)

Revising the Renewable Energy Target

- The *Renewable Energy (Electricity) Amendment Bill 2015* revised the Renewable Energy Target from 41,000 GWh to 33,000 GWh by 2020 and provided a 100% exemption from RET liability for Emissions-Intensive Trade Exposed (EITE) activities.
- The *Renewable Energy (Electricity) Act 2000* placed a legal requirement on liable entities, typically electricity retailers, to surrender renewable energy certificates (RECs) to the Clean Energy Regulator. The readjustment in the RET means that annual purchases of certificates by liable entities will decrease by around 5.4 million.
- The Office of Best Practice Regulation has agreed that this will lead to an annual saving of **\$519.6 million** in compliance costs.

Reforms to offshore environmental approvals

- The Government have streamlined Offshore Petroleum Environmental Approvals, which reduce duplication while maintaining strong environmental protections, with an estimated saving of **\$120 million** in compliance costs.

Department of Finance

Further reforms to procurement administration

- The Department has reformed grant and procurement administration, including:
 - Rollout of the Commonwealth Contracting Suite (CCS) standard terms for low risk procurement, an online interactive suite of smart forms designed to assist procurement officials in preparing procurement documentation for Commonwealth procurement valued up to \$200,000;
 - Development of whole of government template suites for grant opportunity guidelines and grant agreements;
 - Release of an expanded version the CCS for Commonwealth procurements valued up to \$1 million; and
 - In 2019, establishing a suite of template documents that can be used when setting up and using panels. Similar to the CCS, although not mandatory, the documents are designed to provide a standardised approach to panel procurement that will save suppliers and Commonwealth entities time and money.
- The Department of Finance have prepared a submission with additional details.

Department of Foreign Affairs and Trade

Reducing the time spent applying for a new passport

- In 2016, the new online passport application form was introduced, which reduces the amount of time and the number of instances service users spend completing the application form, with an annual regulatory saving of **\$14.2 million**.
- On 1 October 2015, the amended Australian Passports Determination 2015 commenced, reducing the cost and time spent applying for a new passport in certain circumstances, including issuing ten-year validity passports to child applicants aged 16 or 17, removing fees for lost and stolen passports and providing the option of a replacement passport

where a passport is reported lost or stolen. The Office of Best Practice Regulation has agreed that this will lead to an annual saving of **\$5.3 million** in compliance costs.

Visa application changes

- On 19 November 2016, the Government implemented changes to the temporary visa activity framework, streamlining the temporary visa application process. The changes allow applicants to lodge a visa application online and removes sponsorship and nomination requirements for specific short stay activities, with an estimated annual saving of **\$10 million** in compliance costs.

Department of Health

Improved access to medicines and devices

- On 15 September 2016, the Government announced reforms to the regulation of certain medicines and medical devices. The reforms enable lifesaving medicines and medical devices to come onto the Australian market faster – in some cases two years faster – through removing or streamlining unnecessary or inefficient processes, with an annual regulatory saving of **\$75 million**.

Reducing the burden of the industrial chemicals regulatory framework

- As part of 2015/16 Budget the Government announced reforms to the National Industrial Chemicals Notification and Assessment Scheme (NICNAS). The reforms support greater use of international assessment material by industry and NICNAS, leading to faster market entry for safer chemicals that have a lower anticipated risk to human health and the environment. Removal of the current legislative requirement for industry to annually report on chemicals introduced under exemptions and permits accounted for the majority of regulatory savings estimated in the proposal's Regulation Impact Statement. The Department of Health has estimated that this will lead to an annual saving of **\$22.7 million** in compliance costs.

Department of Human Services

Removing duplication for job seekers

- The Department of Human Services has estimated that changes to remove certain duplications for job seekers will lead to an annual saving of **\$80.4 million** in compliance cost savings, shared equally with the Department of Jobs and Small Business (see above).
- Changes to proof of identity for non-current Centrelink customers (those who have not been in contact with Centrelink for more than three months) now need to prove their identity only once when claiming a payment or service, with an annual saving of **\$31.4 million** in compliance costs.

Department of Home Affairs (previously Department of Immigration & Border Protection)

Streamlined trade and travel processes

- The removal of outgoing passenger cards from 1 July 2017 is estimated to lead to an annual saving of **\$30 million** in compliance costs.
- The introduction of the Australian Trusted Trader program in July 2016 is estimated to deliver annual savings of **\$42.2 million** in compliance costs. The program was co-designed with business to lower the regulatory burden associated with the movement of goods along the supply chain for accredited participants.
- The Seamless Traveller initiative was introduced to benefit travellers and industry by rolling out new passenger processing technology at air and sea ports. The new biometric capability within the Seamless Traveller initiative has reduced manual processes, allowing a fast, seamless self-processing experience for up to 90 per cent of travellers, resulting in an estimated annual saving of **\$32.9 million** in compliance costs.
- The Government has streamlined customer identification requirements under the Anti-Money Laundering and Countering-Terrorism Financing Rules, leading to an annual saving of **\$28.1 million** in compliance costs.

Department of Industry, Innovation and Science

Raising the Research and Development (R&D) Tax Incentive threshold

- The *Tax Laws Amendment (Research and Development) Act 2015* introduced an annual threshold of \$100 million of eligible R&D expenditure for which companies can claim a concessional tax offset under the R&D Tax Incentive. For expenditure beyond \$100 million, companies can claim a non-refundable tax offset at the corporate tax rate. The Department of Industry, Innovation and Science has estimated that this will lead to an annual saving of **\$118.3 million** in compliance costs.

Measures to help Australians start a small business

- In 2016 and 2017, a cross-agency fix-it squad delivered recommendations to help individuals looking to start a small business. The solution included digital communications tools, including a small business app developed by ASIC and a 'New to Business Essentials' email series designed by DIIS and the ATO to improve understanding and access to relevant tools and services related to starting a business. The measure also included fewer record-keeping requirements, with joint regulatory and compliance cost savings shared between DIIS and Treasury agencies (ATO and ASIC) estimated at **\$111 million**.

Department of Infrastructure, Regional Development and Cities (formerly Department of Infrastructure and Regional Development)

Changes to aviation regulation

- On 13 January 2016, the Civil Aviation Safety Authority (CASA) introduced changes to amend aerodrome legislative processes. The changes allow a framework for aerodromes to support low-visibility operations by removing certain lighting requirements where advanced flight control systems and technology are in place. CASA have estimated the annual compliance cost savings at **\$11.5 million**.
- A simplified approval process introduced by the Department for businesses operating remotely-piloted aircraft weighing less than 2 kg no longer requires that regulated entities obtain an RPA operator's certificate or a remote pilot licence, with an annual saving of **\$16.7 million** in compliance costs estimated by CASA.

Department of the Prime Minister and Cabinet

Extending grant funding arrangements

- Between November 2014 and January 2015, the Department of the Prime Minister and Cabinet extended more than 900 existing funding agreements for frontline Indigenous services programmes. The one off (six month) extension was designed to support the transition of existing programmes to the new Indigenous Advancement Strategy arrangements and negated the need for these entities to reapply for funding, which had previously been required on a calendar-year basis. The Department of the Prime Minister and Cabinet estimated that this led to a saving of **\$3.7 million** in compliance costs.

Department of Social Services

New Disability Employment Services Program

- In the 2017 Federal Budget, the Government announced changes to the Disability Employment Services (DES) Program, coming into effect on 1 July 2018. The changes give scheme participants more choice and flexibility in how they interact with providers. The OBPR have agreed that the new DES arrangements will reduce regulatory costs by **\$42.6 million per year**.

Implementing a standardised NDIS quality and safeguards framework

- On 9 December 2016, COAG agreed to a new national quality and safeguards framework to protect National Disability Insurance Scheme (NDIS) participants by harmonising provider registration, complaints systems, worker screening and reductions on some

restrictive practices. The Office of Best Practice Regulation has agreed that this will lead to an annual saving of **\$23.2 million** in compliance costs.

Improving access for NDIS participants and providers

- On 12 May 2015, the then Minister for Social Services announced funding for a new IT system to support full delivery of the NDIS. The IT system streamlines access to support services for over 460,000 participants and service providers, and delivers enhanced data to federal, state and territory governments. Online self-service capabilities will improve customer service and make it easier for disability service providers to provide individualised, flexible and responsive service arrangements for participants, as well as facilitating quicker and easier payment to service providers. The Department of Social Services has estimated that this will lead to an annual saving of **\$31.4 million** in compliance costs.

The Treasury

Simplified online tax reporting

- On 1 July 2016, *MyTax* replaced e-tax, with changes to make filling out a tax return simpler, safer and more secure. The pre-filling of online returns allows individuals and sole traders to lodge their tax return through a smartphone, tablet or PC. MyTax has been upgraded to incorporate all labels on a personal income tax return, making it suitable for all individuals who want to lodge their own tax return, including sole traders. The Treasury has estimated an annual regulatory saving of **\$71 million** in compliance costs.

Improving tax advice to help taxpayers meet their obligations

- In March 2017, the Australian Taxation Office (ATO) reviewed its public advice and guidance and found a range of improvements could be made to the existing suite of tax advice products. These included changes to the usability and navigability of the ATO's website and the introduction of a coordinated Public Advice and Guidance Centre to provide private end-to-end public and private taxation advice and guidance. The Treasury estimated annual compliance cost savings of **\$136.6 million**.

Reduced compliance burden for small businesses taking on new employees

- In March 2016, the ATO made recommendations to address the challenges faced by small businesses when taking on a new employee. Initiatives were introduced with an annual regulatory saving of **\$25.5 million** in compliance costs as estimated by the Treasury portfolio. The initiatives include:
 - a whole of government checklist covering the regulation requirements that apply when taking on a new employee;
 - an interactive tool to help employers determine which award(s) apply to their business;
 - enhancements to the employee/contractor decision tool to improve usability and include decisions for pay-as-you-go withholding and superannuation guarantee payments; and
 - tools to help employers understand what categories of tax and super guarantee applies to employee entitlements.