

Additional Comments by Coalition Senators

1.1 Coalition Senators make the following additional comments to the Chair's report into the effect of policy and process to limit and reduce red tape.

1.2 The Senate Select Committee on Red Tape's inquiry into the burden of government regulation and red tape has highlighted the complexity of Australia's regulatory landscape, with two key concerns being the sheer volume of complex regulation, and the number of regulations that are being duplicated by agencies across multiple levels of government.

1.3 This helps explain why the World Economic Forum's Global Competitiveness Report ranks Australia 80 out of 137 nations for the burden of government regulation.

1.4 As noted in the Chair's report, the Institute of Public Affairs estimates red tape costs the Australian economy \$176 billion every year in forgone economic output, which is equivalent to 11 per cent of Gross Domestic Product. This is a staggering \$19 300 for every Australian household.

1.5 This red tape burden falls disproportionately on small businesses and entrepreneurs who, unlike big businesses, lack the legal and accounting resources required for regulatory compliance. As a result, Australians are becoming less entrepreneurial, with research by Canada's Fraser Institute finding that Australia's small business entry rate had declined by 40 per cent between 2003–05 and 2012–14.

1.6 When the Coalition Government was elected it made a commitment to reduce red tape by \$1 billion annually. The Chair's report noted that four parliamentary sitting days were set aside in 2014 and 2015 for cutting red tape. The Government exceeded its target with \$4.5 billion in red tape savings by repealing over 10 000 legislative instruments and 3600 redundant statutes.

1.7 Since then, the Coalition Government's Regulatory Reform Agenda has cut compliance costs for individuals, businesses, and community organisations by removing a net \$5.9 billion in red tape since being elected, as at 30 June 2017. The biggest single regulatory saving, worth \$444 million, came from abolishing the former Labor Government's Road Safety Remuneration Tribunal, cutting costs for thousands of owner-drivers operating as small family businesses.

1.8 New measures are now needed to continue reducing the burden of red tape. One option is to adopt measures to remove the number of 'restrictive clauses' in legislation (words like 'shall' and 'must'), instead of more general measures such as the pages of legislation passed. Another is to institute a 'one in, two out' rule for new regulations, which will ensure there is a gradual and continual reduction in red tape over time. These were the approaches taken by the provincial government of British Columbia, Canada, which has succeeded in cutting red tape by 48 per cent since 2001.

1.9 Since 2017, the committee has conducted inquiries into the impact of red tape in the following areas: the sale, supply and taxation of alcohol; tobacco retail; environmental assessment and approvals; pharmacy rules; health services; childcare;

occupational licensing; and private education. The Chair's Report has made numerous recommendations aimed at further reducing the burden of excessive regulation and red tape.

1.10 Coalition Senators support the Government's Deregulation Agenda and welcome new initiatives that will further reduce the burden of unnecessary regulation and red tape.

Senator James Paterson

Senator for Victoria

Senator Slade Brockman

Senator for Western Australia