

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Tourism and Resources Portfolio  
Budget Estimates 2005-2006, 30-31 May 2005

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**QUESTION No.12**

(Hansard 30/05/05, p.E50)

**Senator Lundy** asked about:

Can you provide copies of the letter the Minister for Small Business and Tourism sent, in February 2005, to the Australian Local Government Association, local councils and small business groups informing them of Regulation Reduction Incentive Fund and inviting them to participate in the consultation process?

Can you also provide a list of the small business groups that were written to?

**ANSWER**

The text of the Minister's letter to the Local Government Authorities, Regional Organisations of Councils, the Australian Local Government Association, the various business groups and State-based local government associations is at **Attachment A**.

The list of small business groups that the letter was sent to is at **Attachment B**.

**Letter from Minister Bailey to local governments and small business groups**

Dear « Title»

I write to invite you to make a submission on the drafting of a new program designed to encourage the local government sector to press ahead with regulatory reform and the reduction of red tape with a view to specifically benefiting home-based businesses.

The Regulation Reduction Incentive Fund (RRIF) is being established with an initial Australian Government contribution of \$50 million, to provide financial support to local governments who are able to demonstrate initiatives that reduce the red tape burden.

A major objective of the RRIF is to promote economic activity at the local level so that employment prospects are enhanced and local communities prosper.

I am aware, of course, that local government regulation serves a variety of purposes such as community amenity, health and safety, and derives its power from state government legislation. It is not intended that the RRIF will in any way dilute the public benefit impacts of regulations, but provide local government with an incentive to review their regimes to test their efficiency and effectiveness, and minimise any unintended adverse impacts on home-based and small businesses.

The RRIF is a competitive grants program, meaning applications for funding will be assessed on merit against specified assessment criteria that will be developed as a result of this consultation phase. Guidelines for the RRIF will be developed in consultation with the small business community and local government. The program will be delivered by AusIndustry within the Department of Industry, Tourism and Resources and is expected to be operational in the 2005-06 financial year.

As part of the RRIF initiative, the Government will be producing a range of materials to assist local governments apply for funding. To further assist local councils, the Government will be providing examples of best practice regulatory reforms already implemented by local governments.

Many councils have implemented reforms already that could provide ideas to others. For example, the City of Marion in South Australia reduced the restrictions on employee numbers and floor space to reflect the reality that modern business practices and communication technologies allow sub-contracting and employment by people who do not work on site. In Victoria, the City of Casey has developed a range of reforms aimed at home-based businesses, including an on-line manual, covering areas such as getting started, promotion and government services.

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I write, therefore, to seek your support for the new program and to advise you that the Office of Small Business (OSB) has commenced the process of designing the new program. As a key stakeholder you are invited to make a submission on the issues that you would like to be taken into account in the drafting of the new program's Ministerial guidelines.

I would like to invite you to put forward your views to assist the OSB design the new program. Issues that need to be considered in the design process include project and eligibility criteria, demonstration projects, accountability, and ensuring that gains made by the program in the reform of regulatory and compliance regimes are permanent. Comments can be provided via email to [osb@industry.gov.au](mailto:osb@industry.gov.au) no later than 8 April 2005.

Should you have any questions about the RRIF in the meantime, please contact AusIndustry on 13 28 46.

Yours sincerely

FRAN BAILEY

**List of small business groups that received a letter from the Minister on the Regulation Reduction Incentive Fund**

- Australian Bankers' Association
- Australian Business Ltd
- Australian Chamber of Commerce and Industry
- Engineers Australia
- Australian Industry Group
- Australian Council of Building Design Professions Ltd
- Australian Electrical and Electronic Manufacturers' Association
- Australian Hotels Association
- Australian Institute of Management
- Australian Retailers Association
- CPA Australia
- Business Educators Australasia Inc
- BEC Australia
- BPW Australia
- Council of Small Business Organisations of Australia
- Federation of Automotive Products Manufacturers
- Franchise Council of Australia
- Housing Industry Association
- Institute of Chartered Accountants
- Law Council of Australia
- Master Builders Australia
- Micro Business Network
- Motor Trades Association of Australia
- National Farmers' Federation
- National Institute of Accountants
- Pharmacy Guild of Australia
- Printing Industries Association of Australia
- Professions Australia
- National Retail Association
- Real Estate Institute of Australia
- Restaurant and Catering Australia
- Small Business Coalition
- Small Enterprise Association of Australia and New Zealand
- Victorian Employers' Chamber of Commerce