



Australian Government



Deregulation Agenda Report Card

Supporting business investment, jobs and economic growth

Message from the Minister Assisting the Prime Minister and Cabinet The Hon Ben Morton MP



Getting regulation right is critical for Australia's economic recovery.

The Australian Government's Deregulation Agenda is making it easier for Australians to grow and run their businesses, find and employ staff, and streamline their interactions with Government.

A range of reforms – driven by our Deregulation Taskforce in partnership with other agencies – is expected to generate benefits in excess of \$21 billion over ten years, when fully implemented.

For many businesses, regulators are the face of government. Regulators and those responsible for regulation design need to be the stewards of the regulatory system, not just implement black letter law. We need Ministers, policy agencies and regulators to consider the sustainability of their regulatory systems and the impact their activities have on business and other stakeholders.

Modern regulators and regulation designers also need to be responsive to changes in the business environment. During COVID-19, many regulators responded innovatively and proactively. We want to extend this expectation to all regulators. The Government recognises the importance of risk-based regulatory systems and we want to ensure there are clear expectations for regulators.

My long-held view is that we shouldn't rush to regulate when trying to solve social problems. We should always be open to the possibility that a regulatory response may not be best and that business may be part of the solution. When governments do regulate, we should do this at the lowest cost to the community and business.

Regulatory reform that cuts across agencies and governments can be particularly difficult to achieve – which is why the Government established the Deregulation Taskforce to deliver occupational licensing and other reforms that have been beyond governments in the past.

Leaner, more targeted regulation doesn't just mean faster economic growth and more secure supply chains. This report card includes many examples where community safeguards are maintained – even improved – by doing regulation better. One recent initiative of National Cabinet is improving information sharing for working with vulnerable people checks, which will cut paper work for business *and* keep our children safe.

Deregulation requires a focus on the flow of new regulations, the stock of existing regulations administered by regulators, and the culture of regulators. We've designed our Deregulation Agenda to ensure we're progressing reform by applying multiple levers.

Regulatory reform is much like painting the Sydney Harbour Bridge – it's an ongoing project. You can't just set and forget.

There is always more work to do.

A modern regulatory framework

The Government is expanding and embedding a regulatory stewardship model across the Commonwealth. Regulatory stewardship is a move away from the centralised and prescriptive practices of the past. Ministers, policy agencies who design regulation, and regulators are responsible for ensuring the regulation is fit-for-purpose, well targeted, and well implemented. Stewards are expected to look beyond 'black letter' legislation and administration to make sure regulations meet community goals and are responsive to stakeholder needs.

Stewardship encourages government agencies to innovate and learn from each other to address business and other stakeholder concerns.

Stewardship favours flexible guidance and regular reviews, rather than a centralised and rigid check box approach. For example, the government's activity-based costing reviews of agency regulations is helping us to develop best practice cost recovery guidelines. This will help ensure business pays no more than they should for regulatory services.

Such a cultural shift requires strong leadership.

Since 2019, Secretaries Board has provided critical leadership and oversight to lift ambition for regulatory reform across the Australian Public Service (APS). Each Secretary reports on their regulatory reform agenda to Secretaries Board every six months, including key achievements and initiatives within their portfolios.

Regulatory stewardship is about setting a consistent approach to improving the regulatory environment, and ensuring a sustained effort over time.

Australia's commitment to improve regulation has been internationally recognised by the Organisation for Economic Cooperation and Development (OECD). The OECD's 2021 International Regulatory Policy Outlook compared member countries' efforts to improve regulatory quality and serves as a global benchmark for best practice. Australia ranked highly for each indicator, including Australia's approach to stakeholder engagement and consultation.

What we've learnt from business

Businesses have told us they want government at all levels to address regulatory burdens. Businesses don't distinguish between Local, State and Commonwealth regulations; they just want to engage once, saving time and money.

A 'tell us once' approach avoids the need for businesses to provide the same information to multiple government agencies. Modernising and streamlining government processes, including through digital technology solutions, will make it easier for business owners to interact with government.

Businesses have made it clear that they are willing to engage with Ministers, policy agencies and regulators to ensure they understand the burden of regulation from a business perspective.

[The Deregulation Agenda] will be a renewed focus on regulatory reform but from a different angle.

By focusing on regulation from the viewpoint of business, we will identify the regulations and bureaucratic processes that impose the largest costs on key sectors of the economy and the biggest hurdles to letting those investments flow.

What are the barriers, blockages and bottlenecks? How do we get things moving?

– The Hon Scott Morrison MP, Prime Minister of Australia, WA Chamber of Commerce and Industry Address, June 2019

Key achievements include:

- Cutting cross-border red tape for licensed workers, increasing the mobility of Australia's workforce and helping businesses operate more seamlessly across Australia.
- Shifting to a regulatory 'stewardship' model to promote innovation and sustainability of regulatory reform.
- Embedding a culture of strong regulator performance and accountability, including revitalised Ministerial Statements of Expectations for regulators.
- Launching the online Employment Contract Tool to help businesses employ their first person by guiding employers through a series of questions to generate an employment contract.
- Simplifying the collection of international student information to streamline enrolment for international students and Australian education providers.
- Launching the Trade Information Service to provide businesses with a single source of online information on how to export, including regulatory and border compliance requirements.
- Modernising Australia's business registers to make it easier and faster for business to interact with government by consolidating 32 registers into a single register.
- Simplified Trade Systems reforms which will deliver benefits to business of over \$240 million per year, and will contribute to eventual savings of over \$1 billion per year.
- Fixing a range of administrative or legacy laws across 18 Commonwealth Acts to streamline regulatory processes, reduce regulatory burden on business, or clarify legislation for the regulated community.

The Australian Government's Deregulation Agenda has made positive steps towards making it easier for hard-working, time-poor small business owners to comply with their obligations. It is critical to ensure regulations at all levels of government are right-sized for small businesses who often don't have the systems or resources needed to comply with onerous requirements.

– Bruce Billson, The Australian Small Business and Family Enterprise Ombudsman

Improving occupational mobility: Automatic mutual recognition (AMR)

- The Australian Government, with the support of states and territories, has made it easier for licensed workers to take up jobs across borders.
 - AMR removes the requirement for workers who hold a licence in their home state or territory to apply, pay and maintain another licence when carrying out the same activity elsewhere in Australia.
 - When fully implemented, AMR is expected to boost the economy by \$2.4 billion over ten years, benefiting over 168,000 workers. This includes encouraging 44,000 new inter-state workers.
 - AMR is now in place nationally, except for Western Australia (where it should start 1 July 2022), and Queensland.
 - Workers can take up job opportunities across the country, making better use of Australia's labour force and providing more opportunity to workers.
 - AMR will increase the strength and resilience of the Australian economy. Businesses will be able to more seamlessly provide services across Australia. Improved access to skilled workers will increase output, investment, productivity and competition. Businesses, large and small, will be able to bid more confidently for interstate projects and advertise without fear of breaching local licensing laws.
 - Consumers will also benefit from improved access to licensed service providers, leading to lower prices and improved service quality as a result of increased competition and innovation.
 - AMR will help communities respond to natural disasters, including bushfires, floods and cyclones, as workers with particular skills can respond more quickly to help with immediate or longer-term recovery efforts.
 - AMR provides safeguards to maintain standards and protect consumers, workers and others. Licensed workers can only provide the same skilled services they are already authorised to perform in their home state, and workers must comply with the laws of the state or territory where they are working.
 - State and territory ministers can exclude licences and registrations where there are significant risks to workers, consumers, the community, animal welfare and the environment.
 - Workers subject to disciplinary, civil or criminal actions or who have conditions on their licence as a result of such action are ineligible for AMR.
- Such a simple reform - it makes sense that I don't need another licence to do the same thing just (kilometres away) over the border.*

– Teacher consulted as part of AMR scheme development



Case study

Saving workers time and money: Tradie seeking to work in South Australia

More licensed workers across Australia will find it easier than ever to work in South Australia, as exemptions for certain trade licences under the AMR scheme were removed on 1 February 2022.

With these exemptions lifted, builders, electricians and plumbers licensed in states and territories participating in the AMR scheme no longer need to apply, pay or maintain an additional licence to work in South Australia.

Previously plumbers and electricians paid a licence recognition fee in South Australia of around \$400, and then an annual licence renewal fee each year to maintain the second state licence, with builders paying from \$260 per year and electricians and plumbers paying between \$292 and \$429 depending on the type and duration of the licence. In addition to the fees paid, workers no longer need to apply and wait up to one month for their licence to be recognised.

Lifting regulator performance, capability and culture

- The Government is shining a spotlight on regulator performance, capability and culture. The responsiveness of regulators during COVID-19 showcased what can be achieved when regulators are flexible and pragmatic in delivering solutions while maintaining essential safeguards.
- As a key step in embedding a stewardship approach, a regulator performance function in the Department of the Prime Minister and Cabinet (PM&C) was established in October 2021. PM&C is working across Commonwealth agencies to increase regulator accountability, promote best practice, build the professionalism of regulators and support cultural change.
- The Regulator Performance Guide, released on 30 June 2021, sets out refreshed performance expectations for Australian Government regulators. The Guide sets out the principles of best practice, with regulators required to demonstrate in their performance reporting how they are delivering against the Government's expectations.
- To encourage greater accountability, PM&C is supporting Ministers and regulators to issue or refresh Ministerial Statements of Expectations – setting out the Australian Government's policy and priorities for a regulator's performance and operations – and the responding Regulator Statements of Intent.
- To build capability and professionalism in regulators, the Excellence in Professional Regulation pilot program has been established by PM&C, the Australian Public Service Commission and the Department of Agriculture, Water and the Environment. Programs across three streams are being developed, piloted and evaluated over a three year period to 30 June 2023, to inform an ongoing rollout of learning for all Commonwealth regulators.
- A survey of businesses and individuals will also be conducted in 2022 to gather information on stakeholder satisfaction, trust and experiences with Australian Government regulators, mapped against the three principles in the Regulator Performance Guide.
- The Regulator Performance Omnibus Bill was introduced in early 2022 to fix a broad range of administrative or legacy laws that frustrate regulators, businesses and the community. It will bring together 46 amendments across 18 Commonwealth Acts by streamlining processes or improving regulator efficiency, reducing the regulatory burden on business, and clarifying legislation for the regulated community.
- Recognising the potential of regulatory technology (RegTech) to support more contemporary and efficient regulatory interactions with business and the community, a RegTech Steering Group has been established by the Regulator Leadership Cohort. Representing Commonwealth, state and territory governments, and drawing on insights from the private sector, the Steering Group is identifying RegTech case studies, to support regulators and regulated entities expand the adoption of RegTech solutions.
- Through the latest round of the Business Research and Innovation Initiative, the Government is backing the great ideas of Australian Industry, by funding startups and small to medium business to use technology to make compliance with regulation as simple as possible and reduce regulatory burden for business. In this round, 17 business will share more than \$1.6 million in funding to develop their prototype.

Our focus applies as much to the culture of regulators as it does to the content of regulations... This crisis has shown what can be achieved when regulators are pragmatic and responsive, solving problems without compromising safeguards.

– The Hon Scott Morrison MP, Prime Minister of Australia, CEDA State of the Nation, June 2020

Driving best practice performance and culture through lifting the 'voice of the regulator'

Established in 2020, the Regulator Leadership Cohort supports Secretaries Board in its role to lift regulator performance, capability and culture by addressing roadblocks and recommending actions to adopt regulator best practice. Chaired by David Parker AM, Chair and CEO of the Clean Energy Regulator, the Cohort includes heads of regulators and senior leaders in policy departments.

In addressing roadblocks to regulator performance, the Cohort is surfacing 'knotty problems' commonly experienced by regulators, and lifting visibility of the regulators' voice in designing and implementing regulatory reform.

Two practical initiatives by the Cohort are the call for a Regulator Performance Omnibus Bill to fix administrative or legacy laws impacting regulator performance, and the ongoing delivery of a series of Regulator Leadership Masterclasses in partnership with the Australia and New Zealand School of Government (ANZSOG).

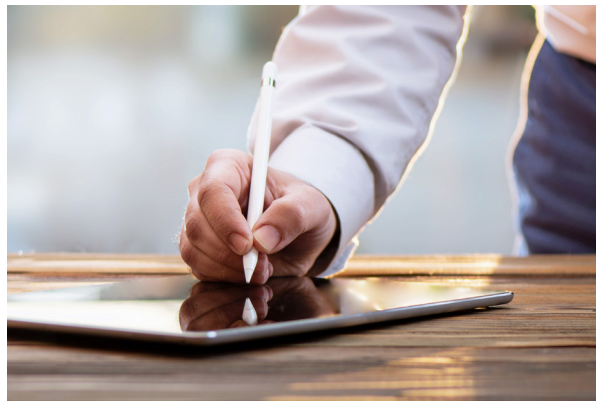
Further information about the Regulator Leadership Cohort, including meeting communiques, is available on the Deregulation Agenda website at deregulation.pmc.gov.au.

Modernising business communications

- Commonwealth and state laws have not kept pace with the way Australians engage through digital communications and this adds compliance costs. The Government's reforms will enable easier communication between businesses, individuals and regulators.
- Following reviews by the Deregulation Taskforce, the Attorney General's Department and other agencies, the Government removed 87 legislative exemptions to the *Electronic Transactions Act 1999* in 2020 and 2021. This has made it easier for people and businesses to use digital technologies to meet requirements to sign, provide or record information under those laws.
- Following temporary provisions in response to the COVID-19 pandemic, the Government is amending the *Corporations Act 2001* to enable entities to send documents electronically and hold virtual meetings. The first phase of legislation is being developed in consultation with stakeholders to modernise business communications by amending legislation to be technology neutral, such as to allow for electronic payments.
- Every year small and medium sized businesses and individuals execute more than 4.5 million deeds and 3.8 million statutory declarations. However, there are different requirements across Australia for the execution of these documents. Ensuring that there is a secure, electronic pathway for document execution can save over \$400 million in unnecessary costs and wasted time each year, according to modelling by Accenture for the Deregulation Taskforce. The Council on Federal Financial Relations has agreed to principles for reform and will partner with Attorneys-General on a common, consistent approach to document execution across Australia, making it easier for people to do business.

The Governance Institute supports these important reforms which, quite frankly, are long overdue. These reforms will improve the productive capacity of Australian businesses and reduce waste and frustration for business owners and managers.

– Megan Motto - Governance Institute of Australia



Working with the states and business to modernise business communications

In 2020 the Deregulation Taskforce appointed a Modernising Business Communications Expert Panel to provide guidance on the most promising areas of reform to bring business communications into the 21st century. This will ensure meaningful benefits are realised for business and the Australian community. In addition, public consultations have been held to seek feedback on key issues and options, complemented by user centred design, national roundtables and industry engagement.

Under the Council on Federal Financial Relations, the Deregulation Taskforce led a Commonwealth State Modernising Document Execution Working Group of officials from Justice and Treasury departments to further examine options for reform, undertake national consultations and provide advice to ministers. The Council on Federal Financial Relations will continue to partner with Attorneys General to achieve a common approach to document execution across the Federation through permanent legislative reforms.

Building on earlier deep dives

Hiring Employees checklist

- The Hiring Employees Checklist guides small and micro-businesses through the steps of employing their first person. Since its launch, there have been tens of thousands of unique page views indicating it is meeting users' needs.

Employment Contract Tool

- The Employment Contract Tool is an online web application developed to enable small business owners to produce an employment contract. Since its launch, there has been thousands of downloaded contracts and its use continues to increase.

Trade Information Service

- The Trade Information Service was launched to provide businesses with a single source of online information on how to export, including regulatory and border compliance requirements. Throughout 2021, the Trade Information Service was used extensively by Australian businesses, resulting in an increased delivery of over 37,000 services and helping businesses find new markets and opportunities for their products. By bringing information together and aligning it to the exporter journey, businesses that use the Trade Information Service save between 520 and 1370 hours of time compared to businesses that do not use the Trade Information Service.

Dairy Export Assurance Program

- The Dairy Export Assurance Program consists of three projects that focus on raising export awareness, reducing regulatory burden, and streamlining audit arrangements in the dairy sector. To date, the program has introduced a free Export Facilitator Service for dairy manufacturers and regulators, which has led to a reduction in costs and time taken to become export registered. Other key projects being progressed include development of targeted resources and training/learning packages to boost stakeholder understanding and knowledge of the processes and requirements to become an exporter.

Digital Environmental Approvals Program

- The Digital Environmental Approvals Program is a cross-jurisdictional program funded through the Deregulation Agenda to digitally transform environmental assessments under the *Environment Protection and Biodiversity Conservation Act 1999*, enabling better informed environmental decisions. The program will reduce the regulatory burden to help major projects get up and running as quickly as possible, benefiting communities and stimulating business investment, innovation and job creation. A joint assessment system pilot with Western Australia's Environment Online will enable applications to be lodged and tracked across jurisdictions.

Better Supporting Food Exporters

- Better Supporting Food Exporters created a streamlined application process for food exporters who wished to apply for both the Australian Trusted Trader Program and the Known Consigner Program. Historically this would have required the completion of duplicate applications on different systems. Instead, a single online entry portal has been created for both programs, reducing duplication of effort. Along with support to better leverage trusted trader benefits for food exporters, the program also takes greater consideration of food exporters and their needs when negotiating Mutual Recognition Arrangements.

Modernising Business Registers

- The Modernising Business Registers program will upgrade and consolidate 32 business registers onto a single system. The new registry service will allow businesses to view, update, manage and maintain their information in one location and make it easier to meet their registration obligations, leaving them with more time to focus on their customers and business operation.

A Modern Export Documents System

- Existing paper-based systems will be replaced with new digital systems that will enhance digital services for exporters of agricultural products. This will assist exporters by reducing regulatory costs, improving the customer experience and supporting exporters to get their products to market faster. Early wins include the delivery of the Next Export Documentation System (NEXDOC) that has been rolled out initially to exporters of dairy products, and the release of a single export account for clients of DAWE.
- NEXDOC includes a range of new and enhanced features, providing Australia's dairy export industry with a modern, technical platform that can integrate with supporting systems and new technologies. The system provides Australian dairy exporters with improved product traceability, enables self-service, and provides improved reporting.



Streamlining excise administration

- Streamlining excise and excise-equivalent customs duties systems will complement the Government's plan for economic recovery, our Fuel Security Strategy, Modern Manufacturing Strategy, as well as the Government's Simplified Trade System reform agenda. The Deregulation Taskforce met with around 45 fuel and alcohol businesses in 2021, from microbreweries to fuel majors, as well as academics, industry groups and regulators, to understand the pain points businesses experience when dealing with Australia's excise and excise-equivalent customs duty regimes. Informed by a public consultation process that received 28 written submissions, the Government is now considering reforms to lower compliance costs for fuel and alcohol businesses around Australia.
- In August 2021 the Australian Taxation Office announced it would permanently exempt venues selling takeaway cocktails from duplicative excise licensing requirements. This has made business simpler for bars and restaurants wanting to sell takeaway cocktails, an innovative practice which became popular through COVID-19, by removing the onerous licensing requirements of the excise system – while remaining subject to local liquor licensing regulations and ensuring the right amount of excise is paid.

Simplified trade system (STS) reforms

- The STS reform agenda is reducing import and export compliance costs for Australian businesses by tackling regulatory inefficiencies and modernising outdated ICT systems. The Deregulation Taskforce is supporting the STS Implementation Taskforce to help deliver seamless border arrangements for business.
- The STS reform agenda is already delivering for business. Some early benefits include the ability to book and manage biosecurity inspections online, and real-time notifications on the operational status of the Integrated Cargo System. Ongoing work is standardising and sharing cross-border trade data, harmonising traceability standards and creating trusted digital trade documents. The Government expects these initial measures will deliver benefits to business of over \$240 million per year, and will contribute to eventual savings of over \$1 billion per year.



Overlapping regulations

- Building on the success of the AMR reforms, the National Workplan to reduce the burden of overlapping regulations will make it easier for Australians to grow and run their businesses, find and employ staff, and streamline their interactions with Government.
- In the first half of 2021, the Deregulation Taskforce consulted with more than 60 businesses about the extent of overlapping regulations and ideas around how to address problems. Key regulatory pain points raised by business included being asked for the same information more than once, inconsistent regulatory approaches taken across jurisdictions, and regulators not recognising trusted international standards.
- The Council on Federal Financial Relations and National Cabinet, in late 2021, endorsed an ambitious National Workplan to reduce the burden of overlapping regulations in ten priority areas that is expected to deliver significant microeconomic reform. The National Workplan contains practical projects to reduce unnecessary compliance costs to business when meeting 'overlapping' regulatory obligations between different agencies or governments across jurisdictions. The Australian Government will collaborate with the States and Territories on projects covering areas including product safety, alcohol licencing and fundraising laws.



Next Steps

- The Deregulation Agenda has delivered tangible benefits for business by streamlining regulatory requirements, improving both business and individuals' interactions with Government including regulators, and addressing regulatory issues affecting businesses day-to-day.
- Importantly, the Government has put in place enduring architecture and a modern regulatory framework to lift ambition for regulatory reform, lift capability across the APS and establish momentum for sustained regulatory reform.

Future priorities include:

- Continuing and deepening a stewardship approach to regulation with portfolio Secretaries providing strong senior leadership.
- Identifying a pipeline of regulatory reform priorities to provide a pathway for future deregulation and regulatory reform measures.
- Continuing to strengthen and embed a culture of regulator performance, by ensuring regulators are accountable and focus on achieving cultural change within their agencies.
- Progressing the work plan on Overlapping Regulations agreed by National Cabinet and the Council on Federal Financial Relations.

More information is available at deregulation.pmc.gov.au.