



## Treasurer of Victoria

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Senator David Leyonhjelm  
Chair  
Senate Select Committee on Red Tape  
PO Box 6100  
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CANBERRA ACT 2600

Dear Senator Leyonhjelm

### **SUBMISSION TO THE SENATE SELECT COMMITTEE INQUIRY ON RED TAPE**

I am writing in response to your letter of 18 September 2018 to the Hon. Daniel Andrews seeking a submission to the inquiry by the Senate Select Committee on Red Tape on the policy and process to limit and reduce red tape. The Premier has referred your letter to me for response and I welcome the opportunity to highlight Victoria's achievements in reducing red tape and regulatory burden together with identifying a few areas where further work is progressing.

The Victorian Government believes that ensuring that our regulation settings are effective is crucial to supporting a competitive economy and boosting productivity. Regulations need to be able to meet their intent: to protect consumers, employees, the community and the environment where markets (in the absence of regulation) would not.

But we are very mindful that regulations can impose burdens. When regulation is overly complex or onerous, it imposes costs on individuals and businesses. These costs stem from failures in regulatory design and practice, and hinder the economy by slowing job creation, investment and innovation. Regulatory burden can also create barriers to entry for new firms. This is particularly true for small and medium enterprises who are disproportionately affected by regulatory burden as they have less capacity to absorb the costs imposed by regulation.

Accordingly, the Andrews Labor Government is making things easier for businesses, councils (which implement a large number of State regulations) and industries across Victoria by slashing their regulatory burden, helping to grow the economy and create jobs.

The Andrews Labor Government has continued its commitment to red tape reduction through the implementation of a regulation reform program that included a commitment to reduce Victoria's regulatory burden by 25 per cent and appointing a Red Tape Commissioner (RTC) in September 2015 and merging this role with the pivotal role of Commissioner for Better Regulation (CBR) earlier this year.

By merging these roles, the Andrews Labor Government has created a 'one-stop shop' for red tape and regulatory improvements. This dual role enables the Commissioner to advise the Government on a broad range of regulatory reforms, with a clear focus on improving regulation and reducing red tape as part of the Better Regulation agenda in Victoria. It is

notable that the Greiner review, which looked at New South Wales regulatory policy framework, adopted Victoria's governance model as an example of best-practice.

By November this year, the Labor Government will have delivered on its 2014 election promise to reduce Victoria's gross regulatory burden by 25 per cent.

More than 250 new initiatives have been put in place to meet this commitment. These include:

- simplifying and streamlining the way councils require, access and collect developer contributions to pay for infrastructure through the passage of the Planning and Environmental Amendment (Infrastructure Contributions) Act 2015;
- giving small business more information when starting and growing a business, and simplifying food safety regulation as a result of the Small Business Regulation Review Program;
- making it easier for businesses to set up events and festivals, and simplifying tourism road sign applications as a consequence of the Visitor Economy Action Statement; and
- allowing people to take away unfinished open bottles of liquor from licensed venues, making it easier for licensed venues that are changing hands, and simplifying licences for spirit producers under the Liquor and Gambling Amendment Act 2018.

Significant reductions in red tape are also being delivered through legislative reform. For example, Victoria's overhaul of the *Environment Protection Act 1970* has enhanced the Environment Protection Authority's powers, systems and processes and will deliver a more effective outcomes based approach to regulation. This approach will help to reduce red tape and boost business innovation. Another initiative to reduce red tape is the rebuild of Energy Safe Victoria's information system.

The RTC has undertaken substantial stakeholder consultation both in Melbourne and regional Victoria to identify and report on regulatory issues impacting on Victorians. Findings of the consultation reveal some important 'sore thumb' clusters, including:

- planning and building (large complex group of interdependent regulation);
- utilities (also related to planning); and
- local government, mainly in regulatory roles conferred by State legislation (food, waste);

The Victorian Government's commitment to red tape reduction is further highlighted by the significant reforms underway in the Earth Resources Regulator to improve regulatory practice and outcomes for the local mining and extractive industries.

The Statement of Expectations (SOE) framework is another important pillar of the Government's regulation reform program. SOEs are an integral part of the cultural shift across Victorian regulators towards continuous improvement in regulator practices and greater cooperation and collaboration through the Regulators' Community of Practice.

SOEs establish clear expectations of regulator performance and improvement between a regulator and their responsible Minister with the objective of improving regulator outcomes and reducing costs on regulated parties.

The development of legislation and regulation is underpinned by robust adherence by the Victorian Government to the use of regulatory impact statements and legislative impact assessments to fully inform Cabinet (legislation) and enable consultation with the public (regulations and other subordinate instruments) prior to their introduction. The CBR's approach to these gateway and periodic review mechanisms has enabled a sharper focus on the need to reduce regulatory burden as much as possible. The Office of the CBR runs

comprehensive training programs for policy officers and executives in Departments and agencies, as well providing clear, plain English guidance material to support the red tape reduction and Better Regulation agendas.

The Andrews Labor Government is committed to reducing red tape in Victoria and thanks the Committee again for the opportunity to make this submission.

Yours sincerely

**TIM PALLAS MP**  
Treasurer

17 OCT 2018