



Australian Government
**Department of Industry,
Innovation and Science**

Submission to the Select Committee on Red Tape – Policy and Process to Limit and Reduce Red Tape

The Department of Industry, Innovation and Science (DIIS) is responsible for a range of policies and programs to enable growth and productivity for building globally competitive industries in Australia. DIIS is committed to regulation reform as a means of unlocking productivity and competitiveness gains.

The department previously made a submission on the sale, supply and taxation of alcohol in early 2017. To assist the Select Committee in regard to policy and process to reduce red tape, this submission discusses the department's ongoing contribution to business simplification and regulation reform. This includes delivering the National Business Simplification Initiative, working to improve the systems that businesses use, focussing on sectoral initiatives in growth sectors and facilitating major projects. The department would be pleased to expand on the information provided as requested.

The National Business Simplification Initiative

The National Business Simplification Initiative (NBSI) was launched on 17 November 2016. It is supported by a Commonwealth agreement between federal, state and territory governments to make it simpler to do business in Australia. Broadly, the two elements of the initiative are better services and better regulation. The better services element aims to make business interaction with government easier and more joined up. The better regulation element looks at ways in which regulation can be streamlined across different levels of government. The department has been progressing select NBSI projects where we see strong prospects of making a tangible difference to business.

Business Registration Service

The Business Registration Service (BRS) joins up Commonwealth government business and tax registrations to streamline the user experience for business. Businesses can access BRS through ASIC, state or territory websites, or via business.gov.au. The Beta service was released to the public on 19 April 2017 and moved to a live service on 29 June 2018. The service has now been used by more than 219,700 businesses (as at 30 September 2018). BRS reduces the average time for sole traders (who make up almost 75% of users) to register a business from 65 minutes to less than 15 minutes. DIIS continues to work with states and jurisdictions to facilitate the connection of state-based business registrations with BRS.

In May 2017, the department undertook a pilot project with Service NSW that linked BRS with the Service NSW 'My Business Navigator' tool. The pilot streamlined federal, state and local business registrations and approvals required to open or grow a café, bar or restaurant. The pilot was first rolled out in Parramatta. It reduced the time for opening a café, small bar or restaurant from up to 18 months to less than 90 days. Service NSW implemented a number of measures to achieve this target:

- creating a single digital form that shares information with other agencies;

- integrating the service with BRS;
- providing business with a one-stop shop and case manager to assist with compliance;
- working with local councils and other agencies so that business licensing and other applications are considered concurrently.

The pilot has since been extended to the Dubbo, Georges River and Northern Beaches local councils in NSW.

Other NBSI projects

Other projects where we see strong prospects of making a tangible difference to business are:

- In 2016-17, the department completed the Western Australia Regulatory Reform and Mapping Project to make it easier for eco and nature-based tourism businesses to commence and operate in Western Australia. The project has delivered a regulatory process map of the regulatory pathways for businesses, and a list of recommendations for government agencies to streamline approvals and regulatory processes.
- The department also completed a project with Tasmania to understand regulatory pain points faced by businesses involved in the ecotourism sector, as a first step to developing digital solutions to complex regulatory processes.
- The department is currently progressing a project with Western Australia to identify and reduce regulatory impediments for horticulture businesses. A list of practical recommendations is being developed in collaboration with businesses and government.
- The department is currently collaborating with South Australia to establish a pilot service which will make it easier for businesses to make informed decisions about employing staff, and make it simpler to navigate that process. This includes tailored face-to-face advice, and supporting digital resources.
- The department worked with the Victorian and New South Wales governments to convene a ministerial-led roundtable to hear directly from businesses about regulatory restrictions in Albury-Wodonga. At the roundtable, ministers committed to their jurisdictions working together to examine restrictions, with a view to harmonising regulation affecting cross-border areas.

The department continues to work with jurisdictions and industry sectors to identify any areas of red tape that are particularly burdensome.

Improving the systems that businesses use

Making improvements to the digital systems that businesses use to interact with government saves time, money and simplifies the experience of complex regulation. DIIS therefore considers this part of its red tape reduction agenda. In addition to the Business Registration Service described above, the department has been working to make a number of other system improvements which are aimed at lowering costs to business.

Australian Business Licence and Information Service (ABLIS)

ABLIS helps businesses and business intenders to find the government licences, permits, approvals, registrations, codes of practice, standards and guidelines relevant to their compliance responsibilities. The project has improved its search capability, user interface, business intelligence and reporting capability. It has developed web services to enable greater sharing of ABLIS data.

Australian Industry Participation / ICN Gateway

The department is moving from a paper-based system of developing Australian Industry Participation (AIP) plans and implementation reports to a digital process through the development of an online AIP SmartForm. The SmartForm combines the AIP plan and implementation report process into one continuous workflow and will reduce the time and administrative burden for both businesses and Commonwealth entities.

The department is also working with the states and territories and Industry Capability Network Ltd (ICNL) to transition the ICN Gateway online supplier database and opportunities portal to a broader consolidated national platform. The platform will lead to significant business savings. The platform will be in place as soon as possible. In the meantime, the department is working with ICNL to ensure the Gateway is robust and continues to serve its users.

Sectoral initiatives

The department is also taking a sectoral approach to cutting red tape, working in conjunction with industry through the Industry Growth Centres. The centres are industry-led entities established in the following sectors of competitive strength and strategic priority:

- Advanced manufacturing;
- Cyber security;
- Food and agribusiness;
- Medical technologies and pharmaceuticals;
- Mining equipment, technology and services;
- Oil, gas and energy resources.

Growth Centres are leading cultural change in their sectors by focusing on key areas, including optimising the regulatory environment. All six Growth Centres have developed Regulatory Reform Agendas, which provide an opportunity for Growth Centres to suggest regulation reform solutions to regulators, including governments.

The Regulatory Reform Agendas have led to 17 regulation reform projects, including:

- The Trade Barriers Register, which provides businesses with a platform to report barriers to doing business internationally. The register is being developed by the Export Council of Australia in partnership with the Growth Centres, with the Food and Agribusiness Growth Centre, FIAL, leading engagement. The register will allow government to better understand the challenges international businesses face, and prioritise how to respond to them.
- FIAL is also working with the Australian Food and Grocery Council to develop national food safety standards and streamline industry-imposed regulations.
- The Cyber Security Growth Centre, AustCyber, has finalised a project with MITRE Corporation on how the US Government's cyber security standards and guidelines can be translated for use in Australia and reduce the cost for cyber security companies supplying into both Australian and international markets.
- The Medical Technologies and Pharmaceuticals Growth Centre, MTPConnect, works with the department and the Therapeutic Goods Administration on digital health regulation pathways, 3D printing opportunities, precision medicine, regenerative medicine and the streamlining of clinical trials regulation to enhance Australia's attractiveness in a global marketplace.

- MTPConnect has worked with the Therapeutic Goods Administration to develop SME Assist, a web portal to help firms and R&D groups understand regulatory topics and provides links to education and training sessions.
- MTPConnect provided key government agencies with advice on policy options for an importation regime for clinical trial placebo kits, strengthening Australia's reputation for high-quality clinical trials processes.
- The Oil, Gas and Energy Resources Growth Centre, NERA, has facilitated a new Standards Australia committee to support Australia in influencing and adopting international oil and gas standards. NERA will showcase leading Australian initiatives in this area at an international workshop in Perth in November 2018.
- NERA has released Environmental Impact Assessment Reference Cases to improve consistency and transparency, saving industry, government and stakeholder time and resources.

Facilitating major projects

The department is also focussed on cutting red tape for major projects. The Major Projects Facilitation Agency (MPFA) aims to create an attractive investment environment for major projects by offering tailored facilitation, referral and information services to project proponents, to help them understand their regulatory approval obligations across the Commonwealth Government.

By providing a single point of entry for assistance, the Government is ensuring major project proponents can develop their proposals as efficiently as possible.

The MPFA cooperates with state and territory governments to ensure that project proponents understand all their approval requirements and processes to ensure smooth progress along the approvals pathway.

The agency ensures certainty of process for project proponents by:

- providing information on regulations and approvals at all levels of government in Australia;
- mapping critical approval pathways and processes for projects above \$20 million, in consultation with regulators and government agencies;
- initiating contact, communication, and building relationships between regulators and investors;
- monitoring approvals milestones for projects and addressing any issues with the process.

The MPFA is working with 31 projects across Australia representing an estimated investment of approximately \$141 billion (as at 9 October 2018).

For example, Project Sea Dragon, a large-scale, integrated, land-based prawn aquaculture project on Legune Station in northwest Northern Territory valued at over \$1.5 billion, is among projects being assisted by the MPFA. Project Sea Dragon aims to produce high-quality, reliable volumes of prawns for export year-round. It will be a staged development of up to 10,000 hectares of produce ponds and other facilities across northern Australia. The agency has consulted relevant government bodies and the Northern Territory Government to develop a regulatory approvals pathway map for the project that identifies the Commonwealth and territory regulatory approval obligations. Project Sea Dragon recently received approval under the Australian Government's Environment Protection and Biodiversity Conservation Act 1999. This approval allows it to build the first stage of a prawn

farm and associated production facilities with an investment value of \$1.5 billion across sites in the Northern Territory and Western Australia.

Through close working relationships with major project proponents, the MPFA has developed a strong understanding of some of the recurring challenges facing large scale investment in Australia, including issues around bilateral approvals and cross jurisdictional projects. To mitigate these challenges, the MPFA is establishing two working groups:

- a working group comprised of Commonwealth regulators, to complement the work of existing agencies through sharing information about major projects in the investment pipeline, identifying sticking points in approvals processes and assisting project proponents to understand and navigate their approvals pathway;
- a Large Investment Facilitation Working Group, comprised of state and territory senior officials, to facilitate interactions with state and territory governments, share information about major projects in the investment pipeline, and help to facilitate an attractive investment environment for major projects.

Previous portfolio reform efforts

These reforms build on this portfolio's achievements under the Australian Government's Deregulation Agenda. The portfolio has saved businesses, individuals and community organisations \$491 million of regulatory burden up to 2016-17 as part of the government's total \$5.9 billion in red tape savings.

A detailed report into the portfolio's red tape reforms can be found in its annual deregulation report for 2014¹ and information about subsequent years can be found on the Department of Jobs and Small Business website².

¹ The 2014 report can be found at

<https://www.industry.gov.au/sites/g/files/net3906/f/August%202018/document/extra/industry-and-science-portfolio-annual-deregulation-report-2014.pdf>

² Reports are on the "Reporting on the Deregulation Agenda" page, which is available at <https://www.jobs.gov.au/reporting-deregulation-agenda>