

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Supplementary Budget Estimates 2005-2006, 2 November 2005

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
OUTCOME/OUTPUT: Outcome 1, Output 1.2
TOPIC: COSTING MODEL - SMALL BUSINESS REGULATION
REFERENCE: WRITTEN QUESTION

QUESTION No.SBI-89

Senator Campbell asked:

- (a) The department has developed a measure to quantify the impact of red tape. Please elaborate on the rationale for devising the model.
- (b) Why work on this model now, why not before?
- (c) Have you quantified the cost of red tape reduction in aggregate.
- (d) Can your model be applied to evaluation of the compliance impact of taxation legislation?
- (e) The treasurer has conceded that 1600 pages of the tax act are redundant. Please use your model to quantify the cost of these redundant pages.

ANSWER

- (a) The costing model is designed to assist regulatory agencies reduce the impact of regulations on business.
- (b) The costing model has been in development by the Department for about two and a half years. Significant research and development work has been undertaken over that time to ensure that the costing model was able to be readily applied during the policy development process by a range of APS officers. The announcement of the Regulation Reduction Incentive Fund in October 2004 also provided an impetus for a simplified version of the model to be quickly developed to allow local councils to cost the benefits to businesses of their proposed regulatory reforms.
- (c) No.
- (d) Yes.
- (e) The Department of Industry, Tourism and Resources does not have responsibility for the Tax Act. Requests to cost taxation legislation should therefore be directed to the Treasury.