

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

19 October 2011

**Question:** SR29  
**Topic:** Red Tape Reduction - Tourism  
**Proof Hansard Page:** Written

**Senator Bushby asked:**

1. Has the Department undertaken any reviews in the past year to determine the effects of red tape on the Tourism sectors businesses?
2. If so, what were the results?
3. How about any other red tape reduction reviews for Tourism since 2007?
4. Please list all policy initiatives, programs or projects, introduced since March 2007, that:
  - (a) requires Tourism and Hospitality operators to fill out paperwork;
  - (b) requires Tourism and Hospitality operators to obtain licenses;
  - (c) requires having multiple people or committees approve a decision for the sectors operators to do business; or
  - (d) have applied rules that make conducting tourism and hospitality businesses slower, more difficult, or both.
5. In the same timeframe, is the Department aware of any other requirement for "filing and certification, reporting, investigation, inspection and enforcement practices, and procedures", that might be considered red tape by the sector? If so, what are they?
6. Has the Department considered ways it can streamline engagement for Tourism and Hospitality businesses; for example through a one-stop shop for licensing requirements?

**Answer:**

1. The Department is a member of the Investment and Regulatory Reform Working Group under the National Long-Term Tourism Strategy which commissioned L.E.K. Consulting (LEK) to examine the impact of regulation on tourism investment.
2. LEK found the tourism industry faces a disproportionate regulatory burden impacting negatively on investment. Tourism's multi-use nature means investment is often affected by a variety of regulation across a number of agencies and is not well understood by officials, and the dominance of smaller firms means the industry is less able to absorb the costs of delay caused by regulatory complexity. LEK found the regulatory barriers faced by the tourism industry include planning, environmental, labour shortages and general business regulation and span across a range of areas and levels of government. It found planning schemes are particularly challenging for the industry. The report was released on and is available at: <http://www.ret.gov.au/tourism/nlts/publications/Pages/default.aspx>

3. The Department as a member of the Investment and Regulatory Reform Working Group under the National Long-Term Tourism Strategy commissioned the LEK report as outlined in answer to question 1.
4. The Department has not introduced any policies, programs or projects, since March 2007, which require paperwork, licences or multiple approvals or apply rules which make conduct of business more difficult. Since March 2007, the Department has implemented the TQUAL Grants Program, which provides a range of grants to stimulate sustainable growth in the Australian tourism industry; and TQUAL Accreditation, which provides a framework for continuous quality improvement. Participation in both of these initiatives is voluntary.
5. The Department does not monitor or maintain a register of each and every regulation which is applied by the Australian Government, eight state and territory governments, and 560 local governments to tourism businesses and is not aware of any other specific requirements for "filing and certification, reporting, investigation, inspection and enforcement practices, and procedures", that might be considered "red tape" by the sector that have been introduced since March 2007. The Department is, however, aware of industry concern that the complexity of regulation across all levels of government is costly to negotiate. The Department is also aware the areas of greatest concern to industry relate to state and local government regulation.

The Department has provided submissions to Productivity Commission inquiries/studies which have examined the impact of regulation on business. These included the "Annual Review of Regulatory Burdens on Business: Business and Consumer Services"; "Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments"; "Economic Structure and Performance of the Australian Retail Industry"; and "Business Regulation Benchmarking – Role of Local Government".

6. On 14 October 2011, Tourism Ministers considered recommendations from the Investment and Regulatory Reform Working Group to streamline the planning approval process, increase the supply of labour; accommodation; tourism in high natural amenity areas; and to improve the effectiveness of tourism investment facilitation. Ministers will report back in the second quarter in 2012 on how they have responded to each of the Working Group's recommendations, with a report in October 2012 outlining progress made by each jurisdiction in implementing recommendations. Ministers' consideration of these recommendations will include consideration of ways in which processes can be streamlined for tourism businesses from a whole of government perspective.