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Dr Malcolm Roberts
Chairperson
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Dr Roberts

A handwritten signature in blue ink that reads "Malcolm".

Thank you for the Office of Best Practice Regulation's (OBPR) Final Report, *Measuring and Reducing the Burden of Regulation*. The Final Report is a significant body of work and an important step in the Queensland Government's plan to cut red tape and regulation by 20 per cent by 2018.

The Government has considered the Final Report and is pleased to advise that it fully supports the majority of the OBPR's 50 recommendations. We note that many of the key elements of the recommended Framework have already been endorsed by the Government in its response to the OBPR's Interim Report and are already being implemented as part of the Government's whole-of-Government approach to reducing red tape and the burden of regulation on industry and the community.

Further, we note that in several instances, recommendations made in the Interim Report have been appropriately refined to address the specific considerations raised by the Government in its formal response to the Interim Report.

However, as outlined below, there are a limited number of specific recommendations in the Final Report which are either not supported, supported in part or will need to be subject to further consideration by Government in implementing relevant elements of the Framework.

Recommendation 5.4.2 (Existing legislation with regulatory requirements should be made subject to sunset reviews that place the onus of proof for maintaining the regulation on the proponent) is partially supported. The Government intends maintaining the sunset provisions relating to subordinate legislation as currently prescribed under Part 7 of the *Statutory Instruments Act 1992*, but does not support extending these requirements to primary legislation. Consequently, ***Recommendation 5.4.3 (A phased program for implementation of sunset requirements should be developed by OBPR)***, is also not supported.

The Government's concerns with mandatory sunset provisions for primary legislation include: the risks associated with potentially having crucial legislation expiring if there are any delays in reviewing and remaking the legislation; the potential uncertainty for business and community of having key legislation regularly expiring and being remade; and the cost and resourcing implications for the Government and Parliament in reviewing, scrutinising and remaking substantial additional volumes of primary legislation. Queensland has over 500 Acts that would need to be reviewed and remade.

While some pieces of Queensland primary legislation currently include sunset provisions, it is uncommon and generally relates to Acts or provisions of Acts addressing short-term or transitional issues. No other Australian jurisdiction specifically requires all its primary legislation to include sunset provisions.

Recommendation 5.5.1 (Future legislation that introduces a regulatory requirement should include a provision specifying a date for future review) is supported. However, it is not considered necessary to include a review clause in all existing primary legislation. The other key elements of the Government's framework for measuring and reducing the regulatory burden (i.e. setting of reduction targets for Departments, identification of priority review areas, establishment of a permanent mechanism for stakeholders to raise regulatory issues, and the increased rigour of the Regulatory Impact Statement system) should ensure Departments closely scrutinise key legislation on an on-going basis and focus on those areas of legislation where reviews are likely to most benefit stakeholders.

It is questionable whether mandating reviews for all primary legislation would provide any significant additional benefits and be an effective use of Departmental resources.

Recommendation 6.6.4 (Departments should prepare a Regulatory Reform Statement to report progress against regulatory restriction targets and to inform the coordination of regulatory reforms) is partially supported.

The Government supports Departments providing the OBPR with an annual Statement including a ledger of regulatory reforms, the net change in regulatory restrictions and, where feasible, an estimate of the net dollar cost reduction in regulatory burden over the preceding 12 months.

However, it is important that the preparation of this document does not duplicate other reporting requirements of Departments and that the Statement is a meaningful tool in terms of Departments and Government's regulatory reform planning in addition to providing key information to the OBPR as part of its annual reporting to Government. Therefore, Queensland Treasury and Trade will undertake further consultation with OBPR and Departments on the appropriate scope of the Statements, including: more detailed consideration of the other details which OBPR proposed to be included in the documents; and the resource implications for Departments.

Recommendation 6.9.6 (Regulatory Reform Statements prepared by Departments and OBPR's annual reports of report progress against regulatory restriction targets should be made publicly available at an appropriate time) is supported. However, the Government, in consultation with the OBPR, will give further consideration to the appropriate process and timing for publication of the Statements.

The proposal, *as part of Recommendation 6.6.4*, that the Regulatory Reform Statements should include an “intended program of Cabinet decisions over the coming 12 months” is not supported. It would not be appropriate for Departments to be publicly speculating as to if, and when, the outcomes of proposed reviews are going to be considered (and decisions made) by Cabinet.

Recommendation 6.6.5 (Departments should nominate one or more Regulatory Reform Champions for each department to coordinate the Department's compliance with the RIS system and to track progress against regulatory restriction targets) is supported.

Departments will need to nominate a senior officer or officers to be the key contact/s (or regulatory reform coordinator) for all regulatory matters within the agency. As noted in the Final Report, many Departments already have one or more officers essentially performing this role. As such, the nomination of a Regulatory Reform Champion will merely be formalising an existing working relationship in many Departments.

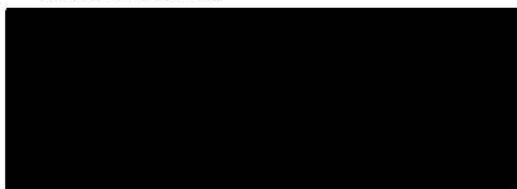
However, whether or not the nominated person/s are formally referred to as the Department's “Regulatory Reform Champion”, or continue to be referred to under the title attached to their existing position, will be left to the discretion of each Director-General.

Part (f) of Recommendation 6.8.1 proposes that the OBPR provide *guidance to assist departments to prioritise which regulation to reform in achieving regulatory restrictions targets*. This recommendation is supported with the understanding that, while encouraging the OBPR to provide any advice in this regard, the Government will make the final decision, in line with its policy priorities, on which regulatory reforms to focus on.

On this basis, the Government will continue to implement key elements of the Framework and maintain its focus on establishing a whole-of-Government regulatory management system and a culture which drives red tape reductions for business and the community. In that regard, the Government looks forward to receiving in the near future OBPR's baseline count of regulatory obligations and recommended agency reduction targets, another critical component of the Government's Framework for measuring and reducing the burden of regulation.

Thank you again for this significant piece of work that will support the Government's commitment to cut red tape and regulation by 20 per cent by 2018.

Yours sincerely



Tim Nicholls
Treasurer and Minister for Trade



Deb Frecklington
Assistant Minister for Finance,
Administration and Regulatory
Reform