

Mr Chris Sayers
Assistant Commissioner
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Dear Mr Sayers

Thank you for your correspondence of 11 September 2006 inviting the Tasmanian Government to make a submission to inform the Productivity Commission's study on Performance Benchmarking of Australian Business Regulation.

I would like to note that Tasmania supports the terms of reference for the study and is pleased that the Australian Government has referred this matter to the Productivity Commission for detailed consideration.

Tasmania supports the direction of the investigation as set out in the Issues Paper, however I would like to make some general comments. It is important that the study recognises the wide spectrum of regulatory options ranging from nil regulation, to a duty of care model via self-regulation and through to highly prescriptive regulation. Therefore the benchmarking framework will need to have the capacity to recognise where governments have elected not to regulate certain areas and use this as the starting point for developing comparisons. It will also be critical to have a clear understanding of the differing environments of jurisdictions and to take these into consideration in order to make fair comparative assessments.

I note that the potential scope of the study is significant and that it would be appropriate to undertake benchmarking in a staged approach. As suggested in the Issues Paper, I agree that the ten 'hotspots' agreed to by the Council of Australian Governments (COAG) as priority areas for regulatory reform, would be appropriate to focus on in the first stage.

As you would be aware, COAG has specifically identified the ten hotspots as areas where cross-jurisdictional interests overlap and inconsistent regulatory regimes exist that impede economic activity. All jurisdictions have agreed to examine the options for resolving the inconsistencies in the ten areas. As work is already well underway in these areas, it is anticipated that reforms could be implemented and progress measured to monitor increasing or decreasing the regulatory burden over time.

To ensure success in this type of exercise, the outcomes of the regulation to be benchmarked would need to be well defined, understood and articulated.

It is also important to recognise the high level of reporting already required from business. While I support analysis of the regulatory burden on business, it is important that the collection of this data does not increase the reporting burden. It may be helpful to consider what reporting requirements are already in place and assess whether this information would be of use for the benchmarking exercise. Where this is not possible, a lack of business readiness to supply information will inevitably lead to data gaps and the need to manage these gaps.

Finally, the Issues Paper does not provide any indication as to who will be responsible for meeting the costs of collecting, collating and reporting the information. While I fully support the study and provide in-principle support for participating in the benchmarking exercise, the resource demands of the exercise will be a major factor in determining the Tasmanian Government's level of involvement.

I attach to this letter the Submissions Cover Sheet as required. Thank you for the opportunity to comment and I look forward to receiving a copy of the draft report.

Yours sincerely

Paul Lennon
Premier