

Submission on the Draft Report of the Productivity Commission's Annual Review of Regulatory Burdens on Business and Consumer Services

The Department of Resources, Energy and Tourism (DRET) is pleased to have the opportunity to provide comment to the Productivity Commission (the Commission) on its Draft Report: Annual Review of Regulatory Burdens on Business: Business and Consumer Services.

DRET notes chapter 3 of the Draft Report is devoted to 'tourism and hospitality related services' and issues of relevance to the tourism industry are also addressed in chapter 5 'building and planning regulation'. DRET welcomes this clear demonstration of the significance of the tourism industry and the range of regulatory burdens it faces.

Comments are provided below on the draft recommendations of chapter 3; other key matters raised in chapter 3; and the key points of chapter 5.

Chapter 3- draft recommendations

DRET supports draft recommendations 3.1 to 3.5; and conditionally supports draft recommendation 3.6. These recommendations are consistent with the National Long-Term Tourism Strategy's (the Strategy) objective to reduce regulation that impedes investment in the tourism industry and imposes unnecessary costs on tourism businesses.

Recommendations 3.1 and 3.2 are expected to encourage greater foreign investment in tourism infrastructure and are consistent with the Strategy's policy objectives.

Recommendation 3.3 is expected to reduce costs for restaurant and cafes without having any adverse impact on consumers.

Recommendation 3.4 is consistent with the Strategy's objectives. As part of the Strategy, Tourism Ministers have identified the non-recognition of Responsible Service of Alcohol (RSA) certification across jurisdictions as an impediment to the mobility of skilled labour within the tourism sector. At the Tourism Ministers' Council (TMC) meeting of 30 April 2010, Ministers agreed to seek universal acceptance of RSA certification around Australia by writing to the appropriate licensing authorities within their jurisdiction. This recommendation will serve to reinforce the importance of addressing this issue.

Recommendation 3.5 is expected to provide a more coherent framework for the importation of animals by Australian zoos. This will increase the international competitiveness of Australian zoos and their ability to strengthen the visitor appeal of the cities and regions in which they are located.

Recommendation 3.6 is supported on the basis that the implications for long-term casual and part-time workers are monitored. DRET understands an increase to the monthly earnings threshold of the superannuation guarantee is expected to reduce costs for small business such as those in the restaurant and catering sector. DRET is supportive of this, however DRET is concerned to ensure it is not implemented in a manner which unduly disadvantages employees.

Chapter 3 – other matters

DRET notes a number of issues raised in its original submission to the review were considered to be outside or beyond the scope of the review. These issues broadly relate to land use and planning; environment; and transport.

Land use and planning

DRET accepts the Commission's assessment in regard to land use and planning. DRET has made a submission to the Commission's performance benchmarking review of state and territory planning and zoning systems and development approval processes, and expects that these matters may be assessed by the Commission in the benchmarking review.

Environment and heritage

DRET notes the Commission's assessment that the review of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) has considered a range of issues of relevance to those raised in DRET's submission and these may be taken up in the Government's response to the EPBC Act review. However, DRET notes the importance of the Department of Environment, Water, Heritage and the Arts giving appropriate consideration to the implications for the tourism industry in its ongoing administration of the EPBC Act. The same is true for the administration of heritage regulations.

Transport - taxis

In regard to taxis, DRET maintains the view that there is scope for additional reform. Despite the reforms that some jurisdictions have enacted since the Commission previously examined this issue, the continued operation of regulation that limits competition continues to increase the cost of transport for tourists in Australia.

Transport - aviation

DRET accepts the Commission's conclusion in regard to the international aviation market.

Other issues

DRET notes Chapter 3 considered a broad range of other issues raised by tourism stakeholders. These include travel agent consumer protection arrangements, zoo licensing, travel related charges (eg the Passenger Movement Charge, visa charges), information campaigns on Industrial Relations reform, and food safety regulation. DRET notes these issues were considered outside or beyond scope or were being addressed by processes already in train. DRET notes additional travel related charges impact negatively on Australia's competitiveness but has no further comment to add on these issues.

Chapter 5 – key points

DRET concurs with the key points made by the Commission in Chapter 5. However, it is not clear why the first, second and fourth key points of Chapter 5 have not been presented as recommendations for action.

As the Commission correctly comments state and territory variations to the Building Code of Australia (BCA) create significant inconsistencies in regulation across jurisdictions and while this is an area of reform priority, the pace of action does not reflect the priority. Such variations create a level of complexity which may be a deterrent to investment.

DRET considers that the building classifications administered by the BCA should promote good building design and safety and not provide price signals to invest in one building type over another. Investment in different classes of accommodation stock should be determined by market factors and not aspects of regulation. DRET notes the views of the Tourism and Transport Forum that the current building classifications provide incentives to invest in class 2 buildings like serviced apartments over class 3 buildings like hotels and considers that this claim is worthy of further analysis.

DRET supports the Commission's view that "the classification issue may benefit from a more comprehensive examination of the costs and benefits of options for change relative to maintaining the status quo" in relation to the BCA building classifications. DRET considers that the Commission should express this view as a recommendation.

Finally, DRET supports the Commission's view that all users of the BCA should be able to access a free on-line copy. On-line access to this type of information is a reasonable expectation in a contemporary business environment.

Recommendation 3: The first, second and fourth key points made by the Commission about Chapter 5 should also be expressed as recommendations in Commission's Final report.