



NORTHERN TERRITORY GOVERNMENT SUBMISSION TO

THE PRODUCTIVITY COMMISSION'S

**DRAFT REPORT INTO ANNUAL REVIEW OF REGULATORY BURDENS
ON BUSINESS: BUSINESS AND CONSUMER SERVICES**

JULY 2010

BACKGROUND

The Productivity Commission's (the Commission) Draft Report into on Annual Review of Regulatory Burdens on Business: Business and Consumer Services (the Report) was released on 29 June 2010.

The following comments are provided in relation to selected findings and recommendations of the Report as follows:

CHAPTER 2 – FINANCE ISSUES

Draft recommendation 2.6

The Treasury and state and territory revenue authorities should streamline administrative processes dealing with unclaimed monies.

Comment

The Northern Territory Government has had extensive correspondence with the Commonwealth Government on the issue of streamlining the administrative processes dealing with unclaimed monies over the past 12 months. The Northern Territory complies with its own legislation (*Unclaimed Superannuation Benefits Act*) and its public sector superannuation arrangements remain exempt from new Commonwealth Government requirements to transfer accounts to the Australian Tax Office. Administration of unclaimed monies in the Northern Territory is satisfactory and unaffected by processes in other jurisdictions.

CHAPTER 3 – TOURISM AND HOSPITALITY RELATED SERVICES

Draft recommendation 3.1

The Australian Government should index monetary thresholds applying to all overseas investment in developed non-residential commercial real estate on the same basis as the thresholds applying to other types of overseas investment in Australian businesses.

Comment

The draft recommendation is supported.

Draft recommendation 3.2

The Australian Government should remove the monetary threshold applying to proposed overseas investment in heritage listed non-residential commercial property. Such properties should be subject to the same threshold at which Foreign Investment Review Board assessment is required for proposed investment in developed non-residential commercial property not subject to heritage listing.

Comment

The draft recommendation is supported.

Draft recommendation 3.3

The Australian Government should amend the Trade Practices Act 1974 to have restaurant and café menu surcharges for specific days placed outside the scope of the component pricing provisions of that legislation.

Comment

The draft recommendation is supported.

Despite education programs by the Australian Competition and Consumer Commission, Tourism NT and other bodies, compliance with the amendments to s53C of the *Trade Practices Act 1975* by Northern Territory restaurants and cafes continues to be problematic, as evidenced by local media reporting:

http://www.ntnews.com.au/article/2010/06/15/155661_ntnews.html

http://www.ntnews.com.au/article/2010/06/16/155971_ntnews.html

http://www.ntnews.com.au/article/2010/06/17/156731_ntnews.html

Printing additional menus for Sunday and / or public holidays to cover the surcharges on restaurant meals places and additional cost on business. This cost is estimated at around \$700 per business according to advice from a local operator. There are approximately 126 café, restaurant and catering businesses in operation in the Northern Territory¹, with the financial imposition on businesses through this requirement estimated at \$88 200.

There is the possibility that this additional cost may stifle innovation and the use of seasonal produce on set menus, due to the additional barrier of producing duplicate menus. It is considered that this would not benefit consumers.

Draft recommendation 3.4

The Council of Australian Governments should develop and implement mutual recognition arrangements in respect of Responsible Service of Alcohol training as soon as possible.

Comment

The draft recommendation is supported.

Concerns with the lack of mutual recognition of Responsible Service of Alcohol (RSA) certification across jurisdictions was acknowledged by the Tourism Ministers' Council (TMC) at its April 2010 meeting. The TMC agreed that RSA certification should be resolved as a matter of priority and delivered in 2010.

¹ Australian Bureau of Statistics, *Cafes, Restaurants and Catering Services 2006-07 Catalogue 8655.0*

In the Northern Territory, it is a condition of liquor licenses that persons involved in the sale or supply of alcohol, must have, within one month of commencement, an RSA certificate. When this condition was introduced (2009), the Northern Territory Government subsidised training at a rate of \$40 each for over 1500 participants. Whilst the subsidy scheme has now concluded, the Northern Territory accepts RSA certificates completed in other jurisdiction, including on-line, thereby reducing the potential burden on its industry.

Draft recommendation 3.5

The Department of Environment, Water, Heritage and the Arts should revise the Environment Protection and Biodiversity Conservation Act and its relevant regulations and memoranda to ensure that reference to the commercial use of imported specimens is consistent and clearly defined.

Comment

There should be some clarity around the definition of 'zoo' and 'animal display'. Notwithstanding investigation of the definition of 'commercial purposes' (Inconsistency and lack of clarity in the Act and regulations, page 104), smaller businesses which display captive wildlife, both native and introduced, may not be covered by these regulations (for example; the many roadhouses which display species such as emu, wedge-tailed eagle, camel, and caged birds. Some of these will fall into the category of pet, though clearly, many other specimens are not pets.

The Department of Agriculture, Fisheries and Forestry draft Australian Animal Welfare Standards and Guidelines: Exhibited Animals (page 105), recognises that these standards are about zoos, that is; those organisations which (generally) charge an entry fee, however there are groups which would benefit from better staff training and improved display standards. The redefining of 'commercial purposes' may pick up those small roadside operations of which there are a large number in the Northern Territory. While this may increase the regulatory burden and cost to the Northern Territory Government to monitor, it will result in greater clarity and a more level playing field for operators.

Draft recommendation 3.6

The monthly earnings threshold of the superannuation guarantee should be increased through an appropriate process and subject to periodic review established by the Treasury.

Comment

The monthly income threshold in relation to the superannuation guarantee is an issue which impacts the Northern Territory.

There are a number of employees within the Northern Territory public sector and in private enterprise (for example employees in the tourism and hospitality industry comprising a young and transient workforce consisting a high number of overseas workers on working holidays or other temporary visas), employed on a casual or contract basis, earning below the threshold that are therefore not entitled to superannuation guarantee payments..

The draft recommendation appears reasonable.

CHAPTER 4 – REGULATORY BARRIERS FOR OCCUPATIONS

Comment

The draft recommendation is supported

The reduction of red tape and regulatory burdens on businesses should be a continuing priority for governments to reduce business compliance costs while enhancing competition and productivity gains across all sectors of the Australian economy.

CHAPTER 5 – BUILDING AND PLANNING REGULATION

5.3 Differences in standards applying to similar use buildings

Comment

The Northern Territory Government shares the concerns raised by the Tourism and Transport Council and the Australian Hotels Association in relation to the different standards applicable to hotels compared to holiday let accommodation.² An issue of particular concern is the lack of fire safety inspections on holiday let properties. The Australian Tourism Accreditation Program NT requires holiday let properties undertake annual independent audits by a Fire Safety Authority to verify that properties comply with the safety requirements of the Building Code of Australia; suitable fire fighting equipment is in place and in working order and that emergency phone numbers and evacuation routes are clearly displayed and routes are clear of obstructions.

This measure has been introduced to ensure that holiday let properties sold or promoted by Tourism NT and or Territory discoveries meet minimum fire safety standards.

² In the Northern Territory, holiday let is defined as 'short stay tourist accommodation in residential dwellings, which is not recognised as a Boarding House as defined by the *Public Health (Shops, Boarding-Houses, Hostels and Hotels) Regulations* (NT). This is typically a holiday house or an individual apartment in a residential block, which is leased to holiday makers on a short terms basis.