

COUNCIL OF AUSTRALIAN GOVERNMENTS'

MEETING

3 JULY 2008

BUSINESS REGULATION AND COMPETITION WORKING GROUP

Details of outcomes on the 27 areas of regulatory reform from the COAG meeting of 3 July 2008 are set out below. (See Communique discussion of *Seamless National Economy*).

1. Occupational Health and Safety (OH&S) (hot spot)

COAG signed an intergovernmental agreement for OH&S reform which will formalise the commitment of the Commonwealth, States and Territories to adopting model OH&S laws. COAG recognised legitimate concerns about workplace safety and reaffirmed its requirement that there be no reduction or compromise in workplace safety.

COAG has agreed to an accelerated implementation timetable for national uniformity of OH&S laws, with the implementation timetable brought forward by one year to 2011.

2. Environmental Assessment and Approval Processes (hot spot)

COAG endorses the bilateral assessment agreements which have been negotiated between the Commonwealth and each State and Territory, with the exception of Victoria where an agreement will be reached by 31 August 2008. Development proposals will be assessed only once, through a combined assessment process covering both Commonwealth and State responsibilities.

COAG has further agreed to the identification of opportunities for strategic assessments under the *Environment Protection and Biodiversity Conservation Act 1999* to avoid unnecessary delays in development approval processes. Strategic assessments are conducted over an entire region and provide a mechanism to approve classes of development which have been assessed under this process, rather than conducting individual assessments and approvals. Strategic assessments provide certainty for development proponents and reduce duplication, while providing greater protection for the environment.

COAG has instructed the Business Regulation and Competition Working Group (BRCWG) to report back to COAG at its October meeting with a framework for identifying opportunities for strategic assessments.

3. Payroll Tax Harmonisation

COAG has welcomed the agreement reached between all States and Territories to harmonise their payroll tax administration from 1 July 2008 through the adoption, in a range of Stage 1 areas, of common definitions and common treatment of various employee allowances and lodgement dates.

Further harmonisation will proceed after 1 July 2008 with Western Australia, South Australia, the Australian Capital Territory and the Northern Territory considering a broader range of harmonisation

initiatives already agreed to by New South Wales, Victoria, Queensland and Tasmania.

4. Licences of Tradespeople

COAG has agreed to the development of a national trade licensing system in the context of a broader national reform framework. The suggested system is to be endorsed in an intergovernmental agreement (IGA) between jurisdictions by COAG in December 2008. The IGA is to take into consideration financing and revenue issues and processes for dealing with jurisdiction specific issues within a national framework. The system to be developed will not compromise Queensland's existing home warranty insurance scheme.

COAG has requested that the BRCWG, in consultation with the COAG Skills Recognition Steering Committee, report back to COAG in October 2008 on progress towards:

- a set of national trade licensing reform principles for determining whether regulation of trades is warranted;
- a review to determine the necessity to continue licensing trades that are licensed in only one or two jurisdictions or trades not included in the Steering Committee's Ministerial Declaration process under the *Mutual Recognition Act 1992*;
- arrangements to sustain and further improve the gains to mutual recognition that have been made through the Ministerial Declaration process for those trades that are not part of any new national trade licensing arrangements; and
- pursuing a national legislative system for selected trades, including cooperative national legislation, national governance arrangements to handle standard setting and policy issues and to ensure consistent administration and compliance practices, all current holders of state and territory licences being deemed across to the new licence system at its commencement, the establishment of a publicly available national register of licensees and the Commonwealth having no legislative role in the establishment of the new system.

COAG has agreed that national trade licensing initially be applied to the following trades:

- air conditioning and refrigeration mechanics occupations;
- building occupations;
- electrical occupations;
- land transport occupations (passenger vehicle drivers, dangerous goods);
- maritime occupations;
- plumbing occupations; and
- property agent occupations.

5. Health Workforce Agreement

COAG has already agreed to implement reforms to health workforce regulation. This agreement was reached at the March 2008 meeting of COAG.

6. National System of Trade Measurement (hot spot)

At its March 2008 meeting, COAG welcomed the progress made on establishing a national system of trade measurement.

COAG has now agreed that the Commonwealth Bill will be introduced into Parliament by September 2008.

7. Rail Safety Regulation (hot spot)

COAG has already agreed to implement reforms to rail safety regulation. All mainland States will have model legislation in place by end-2008 with Tasmania to follow in 2009. This agreement was reached at the March 2008 meeting of COAG.

8. Consumer Policy Framework

COAG has agreed in principle to the development of an enhanced national consumer policy framework and endorses the timeline and milestones adopted by the Ministerial Council on Consumer Affairs (MCCA) at its meeting on 23 May 2008 for the development of this framework, which will include a national generic consumer law.

COAG has directed the Business Regulation and Competition Working Group, in cooperation with the, MCCA to make recommendations to the October 2008 COAG meeting on a national consumer policy framework for its consideration.

9. Product Safety (hot spot)

COAG has agreed that the Commonwealth will assume responsibility for the making of permanent product bans and standards under the *Trade Practices Act 1974*. States and Territories will retain powers to issue interim product bans.

COAG has agreed that the Australian Competition and Consumer Commission (ACCC) and the State and Territory offices of fair trading will share responsibility for enforcement of the product safety law.

COAG has agreed that any jurisdiction may refer a proposal for a permanent ban or standard to the ACCC and there will be requirements for the ACCC to communicate its assessment to the Commonwealth Minister and to the MCCA.

10. National Regulation of Trustee Companies

COAG agreed in March 2008 to the Commonwealth assuming responsibility for the regulation of trustee companies. The details of the regulatory framework have since been subject to consultation with industry and consumer groups.

Future Commonwealth legislation will create a national market, removing the need for multiple State and Territory licences, streamline the obligations that trustee companies must meet and increase the effectiveness of supervision of those companies.

11. National Regulation of Mortgage Broking

COAG has agreed that the regulation of mortgage broking will be transferred to the Commonwealth. This agreement accelerates the previously-agreed timetable from October 2008.

12. National Regulation of Margin Lending

COAG has agreed that the regulation of margin lending will be transferred to the Commonwealth. This agreement accelerates the previously-agreed timetable from October 2008.

13. National Regulation of Non-deposit Lending Institutions

COAG has agreed that the Commonwealth will assume responsibility for the regulation of non-deposit taking institutions. This agreement accelerates the previously-agreed timetable from October 2008.

14. Development Assessment (hot spot)

COAG has endorsed the report prepared by the Local Government and Planning Ministers' Council (LGPMC) and welcomes the progress made to date by the States and Territories toward more streamlined development assessment processes through, for example, increasing the use of 'complying' development to speed up approvals, reforming intergovernmental referral processes and encouraging greater use of electronic processing.

COAG has requested the LGPMC to report to its October 2008 meeting, through the Business Regulation and Competition Working Group, on further progress toward more streamlined development assessment processes.

COAG has requested jurisdictions to reach agreement on common performance measurement criteria (including timelines and costs) for introduction as soon as practical and to report back to COAG in October through the BRCWG.

COAG has supported the maximum uptake of electronic development assessment in all jurisdictions, noting local councils remain primarily responsible for implementation and also noting the decision of the Commonwealth to provide \$30 million from the Housing Affordability Fund for the roll out of electronic Development Applications in local government with a priority focus on high growth areas.

COAG has requested the Local Government and Planning Ministers' Council to report to its October meeting, through the Business Regulation and Competition Working Group, and in consultation with the Housing Working Group, on further progress with the adoption of eDA by local councils and on any action which should be taken to increase uptake.

15. National Construction Code (hot spot)

COAG has agreed to the development of a National Construction Code on building, plumbing, electrical and telecommunications standards and has instructed the BRCWG to undertake further work on options and report to COAG in October 2008 to develop an implementation plan and report back to the December COAG meeting.

16. Regulation of Chemicals and Plastics (hot spot)

COAG has agreed to the package of early harvest regulatory reform measures developed by the Ministerial Taskforce on Chemicals and Plastics and approved by the Business Regulation and Competition Working Group at www.coag.gov.au.

COAG notes that actions in response to the final Productivity Commission report on chemicals and plastics regulation, due to be released by 27 July 2008, will be brought forward for COAG consideration in October 2008.

17. Registering Business Names (hot spot)

COAG notes the Small Business Ministerial Council considered this matter on 23 May 2008 and agreed in principle support for a business model to develop a seamless, single online registration system for both Australian Business Numbers and business names, including trademark searching.

COAG has approved the establishment of a national registration system which will also deliver online business information services and improve ongoing interactions between government and business, through such innovations as automatic form filling.

COAG has approved the establishment of a national registration system and agrees to the necessary referral of power to the Commonwealth to enable it to implement the system.

COAG has asked that BRCWG bring forward an implementation strategy to its meeting in October 2008.

18. Personal Property Securities (hot spot)

COAG has agreed to reform Australia's personal property securities law, and establish a single online national system for registering personal property securities which will enable instantaneous checking for encumbrances on personal property.

Commonwealth legislation will be introduced into the Federal Parliament in late 2008 or early in 2009.

19. Standard Business Reporting

COAG has agreed on a Commonwealth-initiated electronic system of Standard Business Reporting that will radically streamline the myriad financial reporting requirements on businesses. Standard Business Reporting will provide a new, online reporting channel to government.

The Commonwealth Government is committing \$243 million to this project over four years. Standard Business Reporting could save business around \$800 million each year once it is fully implemented.

Communiqué at www.coag.gov.au

20. Food Regulation

COAG has agreed to accelerate development and implementation of reforms to reduce the regulatory burden on businesses and not-for-profit organisations in relation to food regulation, without

compromising public health, in the following areas:

- consistency in legislation;
- governance arrangements;
- uniform enforcement; and
- setting or modifying food standards.

COAG has asked the BRCWG to work closely with the Australia and New Zealand Food Regulation Ministerial Council to ensure appropriate coordination of the reform activities.

21. National Mine Safety Framework

COAG has asked the Ministerial Council on Minerals and Petroleum Resources to report on options for reforms to national mine safety regulation to the COAG meeting in October 2008.

22. A National Electronic Conveyancing System

COAG has agreed to the following principles forming the basis for the creation of a new e-conveyancing system:

- a) the system is to provide an efficient and effective national platform to:
 - settle property transactions electronically,
 - lodge instruments electronically with land registries, and
 - meet associated duty and tax obligations electronically;
- b) This will require the establishment of an e-conveyancing entity which should be owned by all relevant jurisdictions;
- c) The new e-conveyancing entity Board will be skills-based and include directors with banking, conveyancing, information technology and other relevant commercial skills, as well as directors with knowledge of State and Territory processes concerning land registries, duties and taxes; and
- d) The entity is to assess the Victorian electronic conveyancing system ECV and, to the extent it is suitable, use it as the basis for the underlying software for the new e-conveyancing system.

COAG has agreed that the COAG BRCWG will oversee the implementation of a new e-conveyancing system.

COAG has agreed to the following timeline for the implementation of a new e-conveyancing system.

Timeframe:

October 2008 – agree to form of legal entity for a new e-conveyancing system;

October 2008 – settle and sign governance agreement for a new e-conveyancing entity;

October 2008 – agree funding for a new e-conveyancing entity;

December 2008 – establish a new e-conveyancing entity and appoint Board;

March 2009 – agree Nationally uniform business processes;

December 2009 – any necessary legislative changes in jurisdictions; and
March 2010 – commencement of a new e-conveyancing system.

23. Oil and Gas Regulation

At its March 2008 meeting, COAG agreed to the commissioning of a Productivity Commission report on the regulation of crude oil and natural gas projects that involve more than one jurisdiction. The Productivity Commission inquiry is now underway.

24. Maritime Safety Regulation

COAG has asked the Australian Transport Council to report on implementing a single national approach to maritime safety for commercial vessels.

25. Wine Labelling

COAG has asked the MCCA to speed up work to bring the World Wine Trade Group's Agreement on Requirements for Wine Labelling into force and to report back to COAG in October 2008, through the BRCWG, on the steps taken by each jurisdiction to bring this agreement into force.

26. Directors' Liabilities

COAG has agreed there is a case for reform to promote a consistent and principled approach to the imposition of personal criminal liability for corporate fault.

COAG has agreed the approach will ensure that appropriate sanctions will apply to egregious conduct which should be dealt with by the imposition of personal criminal liability.

COAG has agreed that the BRCWG will report to the October 2008 COAG meeting on principles and identified reform areas, other than workplace health and safety and environmental protection legislation.

27. A National System for Remaining Areas of Consumer Credit

COAG has agreed that the Commonwealth will assume regulatory responsibility for the remaining areas of consumer credit, and requests the BRCWG to report back to the October 2008 meeting with a detailed implementation plan.