



Australian Government
Productivity Commission

Annual Review
of Regulatory Burdens
on Business:
Social and Economic
Infrastructure Services

Productivity Commission
Research Report

August 2009

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The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website (www.pc.gov.au) or by contacting Media and Publications on (03) 9653 2244 or email: maps@pc.gov.au

Foreword

Reducing undue regulatory burdens on businesses enhances not only their performance, but also that of the Australian economy. For this reason, and following the Regulation Taskforce's more wide-ranging review in 2005-06, the Commission has been asked to conduct annual reviews of the burdens on business arising from the stock of Australian Government regulation in key sectors of the economy, over a five year cycle. This study of the social and economic infrastructure services sector is the third in that series.

As in its earlier reviews, the Commission has focused on identifying those regulatory burdens placed on businesses in the social and economic infrastructure services which it judges to be unnecessary within current policy settings. It makes recommendations to reduce these burdens, as well as for the better design of future regulatory frameworks affecting these sectors.

The study was overseen by Commissioners Angela MacRae, and until July 2009 Siobhan McKenna, with a staff research team in the Commission's Canberra office led by Les Andrews.

The Commission has been greatly assisted by many discussions with, and submissions from a wide range of participants, to whom it extends its thanks.

Gary Banks
Chairman
August 2009

Terms of reference

ANNUAL REVIEW OF REGULATORY BURDENS ON BUSINESS

Productivity Commission Act 1998

The Productivity Commission is asked to conduct ongoing annual reviews of the burdens on business arising from the stock of Government regulation. Following consultation with business, government agencies and community groups, the Commission is to report on those areas in which the regulatory burden on business should be removed or significantly reduced as a matter of priority and options for doing so. The Commission is to report by the end of October 2007, and the end of August each following year.

The Commission is to review all Australian Government regulation cyclically every five years. The cycle will commence with a review of regulatory burdens on businesses in Australia's primary sector. In subsequent years, the Commission is to report sequentially on the manufacturing sector and distributive trades, social and economic infrastructure services, and business and consumer services. The fifth year is to be reserved for a review of economy-wide generic regulation, and regulation that has not been picked up earlier in the cycle. The Commission's programme and priorities may be altered in response to unanticipated public policy priorities as directed by the Treasurer.

Background

As part of the Australian Government's initiative to alleviate the burden on business from Australian Government regulation, on 12 October 2005, the Government announced the appointment of a Taskforce on Reducing Regulatory Burdens on Business and its intention to introduce an annual red tape reduction agenda. This agenda incorporates a systematic review of the cumulative stock of Australian Government regulation. The Government approved this review process to ensure that the current stock of regulation is efficient and effective and to identify priority areas where regulation needs to be improved, consolidated or removed.

Furthermore, the regulatory reform stream of the Council of Australian Governments (COAG) National Reform Agenda focuses on reducing the regulatory burden imposed by the three levels of government. On 10 February 2006, COAG agreed that all Australian governments would undertake targeted public annual reviews of existing regulation to identify priority areas where regulatory reform would provide significant net benefits to business and the community. COAG also agreed that these reviews should identify reforms that will enhance regulatory

consistency across jurisdictions or reduce duplication and overlap in regulation and in the role of regulatory bodies.

Scope of the annual review

In undertaking the annual reviews, the Commission should:

1. identify specific areas of Australian Government regulation that:
 - a) are unnecessarily burdensome, complex or redundant; or
 - b) duplicate regulations or the role of regulatory bodies, including in other jurisdictions;
2. develop a short list of priority areas for removing or reducing regulatory burdens which impact mainly on the sector under review and have the potential to deliver the greatest productivity gains to the economy;
3. for this short list, identify regulatory and non-regulatory options, or provide recommendations where appropriate to alleviate the regulatory burden in those priority areas, including for small business; and
4. for this short list, identify reforms that will enhance regulatory consistency across jurisdictions, or reduce duplication and overlap in regulation or in the role of regulatory bodies in relation to the sector under review.

In proposing a focused annual agenda and providing options and recommendations to reduce regulatory burdens, the Commission is to:

- seek public submissions at the beginning of April in 2007, and at the beginning of February in each following year, and consult with business, government agencies and other interested parties;
- have regard to any other current or recent reviews commissioned by Australian governments affecting the regulatory burden faced by businesses in the nominated industry sectors, including the Australian Government's response to the report of the Taskforce on Reducing Regulatory Burdens on Business;
- report on the considerations that inform the Commission's annual review of priorities and reform options and recommendations; and

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- have regard to the underlying policy intent of government regulation when proposing options and recommendations to reduce regulatory burdens on business.

The Commission's report will be published and the Government's response announced as soon as possible.

PETER COSTELLO

[received 28 February 2007]

Contents

Foreword	III
Terms of reference	IV
Abbreviations	X
Overview	XVII
Key Points	XVIII
Recommendations	XXXV
1 About the review	1
1.1 What the Commission has been asked to do	1
1.2 Industry characteristics	3
1.3 The regulatory reform context	10
1.4 The approach and rationale of this review	13
1.5 Conduct of the study	17
1.6 Structure of the report	18
2 Aged care	19
2.1 Aged care industry background	20
2.2 Overview of aged care regulation	21
2.3 Concerns about regulation of aged care	22
3 Child care	91
3.1 Child care industry background	92
3.2 Overview of child care regulation	94
3.3 Concerns about regulation of child care	95
4 Information media and telecommunications	129
4.1 Industry structure	130
4.2 Overview of regulation	133
4.3 NBN regulation reforms	136
4.4 Regulatory environment	138
4.5 Interaction with telecommunications consumers	146
4.6 Sports anti-siphoning regulations	154

4.7	Broadcasting — local content and facilities	164
4.8	Broadcasting content	169
4.9	Other concerns	179
5	Electricity, gas, water and waste services	183
5.1	Industry background	184
5.2	Electricity and gas supply	185
5.3	Water supply, sewerage and drainage services	226
5.4	Waste collection, treatment and disposal services	230
6	Transport	237
6.1	Road transport	238
6.2	Rail transport	243
6.3	Water transport	253
6.4	Air transport	259
6.5	Other transport issues	285
7	Education and training	289
7.1	Industry background	290
7.2	Overview of regulations	292
7.3	Concerns — independent schools	297
7.4	Concerns — higher education, VET and international education	304
8	Other concerns	319
8.1	Medical services	319
8.2	Construction	323
8.3	Public administration and safety	325
8.4	Other issues	326
9	Improving regulatory impact analysis	331
9.1	Regulatory impact analysis requirements	331
9.2	Business concerns about processes followed for recent regulatory proposals	334
9.3	Suggestions for improving the processes	337
Appendices		
A	Consultation	345
A.1	Introduction	345
A.2	Submissions	345
A.3	Other consultation	348

B	Standard Business Reporting	351
B.1	Background	351
B.2	Standard Business Reporting in practice	352
B.3	The benefits of Standard Business Reporting	352
C	Reviews of regulation	357
	References	365

Abbreviations

ABA	Australian Broadcasting Authority
ABCB	Australian Building Codes Board
ABS	Australian Bureau of Statistics
ACAT	Aged Care Assessment Team
ACCAN	Australian Communications Consumer Action Network
ACCC	Australian Competition and Consumer Commission
ACCS	Australian Community Children's Services
ACCV	Aged and Community Care Victoria
ACFI	Aged Care Funding Instrument
ACIC	Aged Care Industry Council
ACMA	Australian Communications and Media Authority
ACPET	Australian Council for Private Education and Training
ACSA	Aged and Community Services Australia
ACSAA	Aged Care Standards and Accreditation Agency
ADMA	Australian Direct Marketing Association
ADRC	Accreditation Decisions Review Committee
AEI	Australian Education International
AEMA	Australian Energy Market Agreement
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
AFL	Australian Football League
ALRC	Australian Law Reform Commission
AMA	Australian Medical Association
AMTA	Australian Mobile Telecommunications Association
ANAO	Australian National Audit Office

ANHECA	Australian Nursing Homes and Extended Care Association
APIA	Australian Pipeline Industry Association
APRA	Australian Prudential Regulation Authority
AQF	Australian Qualifications Framework
AQIS	Australian Quarantine and Inspection Service
AQTF	Australian Quality Training Framework
ARC	Australian Research Council
ARTC	Australian Rail Track Corporation
ASIC	Australian Securities and Investments Commission
ASTRA	Australian Subscription Television and Radio Association
ATA	Australian Trucking Association
ATO	Australian Taxation Office
ATSA	Australian Transport Security Act
ATSR	Australian Transport Security Regulations
ATC	Australian Transport Council
AUQA	Australian Universities Quality Agency
BCA	Building Code of Australia
BSA	<i>Broadcasting Services Act 1992</i>
CACO	Community and Aged Care Officials
CAP	Conditional Adjustment Payment
CASA	Civil Aviation Safety Authority
CCAS	Child Care Accreditation System
CCB	Child Care Benefit
CCC	Community Child Care
CCMS	Child Care Management System
CCNSW	Child Care New South Wales
CCQA	Child Care Quality Assurance
CCTR	Child Care Tax Rebate
CHA	Catholic Health Australia
CIRA	Competition and Infrastructure Reform Agreement
CIS	(Aged Care) Complaints Investigation Scheme

COAG	Council of Australian Governments
COPO	Commonwealth Own Purpose Outlays
CPRS	Carbon Pollution Reduction Scheme
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
CRC	Cooperative Research Centre
DBCDE	Department of Broadband, Communications and the Digital Economy
DDA	<i>Disability Discrimination Act 1992</i>
DDSO	Digital Data Service Obligation
DEEWR	Department of Employment, Education and Workplace Relations
DEST	Department of Education, Science and Training
DEWHA	Department of the Environment, Water, Heritage and the Arts
DOHA	Department of Health and Ageing
DRET	Department of Resources, Energy and Tourism
ECDSC	Early Childhood Development Steering Committee
ECEC	Early Childhood Education and Care
EHEA	European Higher Education Authority
ELICOS	English Language Intensive Courses for Overseas Students
ENA	Energy Networks Association
EPA	Environmental Protection Authority
EPBC Act	<i>Environmental Protection and Biodiversity Conversation Act 1999</i>
ERAA	Energy Retailers Association of Australia
ESC	Essential Services Commission (Victoria)
ESCOSA	Essential Services Commission of South Australia
ETSLG	Energy Technical and Safety Leaders Group
EYLF	Early Years Learning Framework
FDC	Family Day Care
FMA	Financial Management Authority

FTA	Free to-air-television
GPOC	Government Prices Oversight Commission
GTOs	Group Training Organisations
HACC	Home and Community Care
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Program
HD	high definition
HML	Heavy Mass Limits
HREOC	Human Rights and Equal Opportunity Commission
IC	Industry Commission
ICRC	Independent Competition and Regulatory Commission
ISCA	Independent Schools Council of Australia
IPART	Independent Pricing and Regulatory Tribunal
ISDN	Integrated Services Digital Network
LAGS	Liquids, Aerosols and Gels
LDC	Long Day Care
KPIs	Key Performance Indicators
MBS	Medical Benefits Schedule
MCE	Ministerial Council on Energy
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
MCVTE	Ministerial Council for Vocational and Technical Education
MRET	Mandatory Renewable Energy Target
MSIC	Maritime Security Identification Card
NAPLAN	National Assessment Program Literacy and Numeracy
NARA	National Audit and Registration Agency
NBN	National Broadband Network
NCAC	National Child Care Accreditation Council
NCC	National Competition Council
NEA	National Education Agreement
NECF	National Energy Customer Framework

NEL	National Energy Law
NEM	National Energy Market
NEMMCO	National Electricity Market Management Company
NEPM	National Environment Protection Measures
NGL	National Gas Law
NGR	National Gas Rules
NHHRC	National Health and Hospitals Reform Commission
NHMRC	National Health and Medical Research Council
NHWT	National Health Workforce Taskforce
NMI	National Measurement Institute
NPC	National Packaging Covenant
NQC	National Quality Council
NRL	National Rugby League
NRMC	National Resources Ministerial Council
NRTC	National Road Transport Commission
NPRM	Notice of Proposed Rule Making
NQA	National Quality Agenda
NSW	New South Wales
NTC	National Transport Commission
NTP	National Transmission Planner
NTPF	National Transmission Planning Function
NWC	National Water Commission
NWMRS	National Waste Minimisation and Recycling Strategy
OBPR	Office of Best Practice Regulation
OHS	Occupational Health and Safety
OECECC	Office of Early Childhood Education and Child Care
ORR	Office of Regulation Review (now OBPR)
OSCAR	Online System for Comprehensive Activity Reporting
OTER	Office of the Tasmanian Energy Regulator
OSHC	Outside School Hours Care

OTS	Office of Transport Security
PBS	Pharmaceutical Benefits Scheme
PC	Productivity Commission
PCA	Packaging Council of Australia
PIP	Practice Incentives Program
QCA	Queensland Competition Authority
RCS	Resident Classification Scale
REC	Renewable Energy Certificate
RET	Renewable Energy Target
RIS	Regulation Impact Statement
RTOs	Registered Training Organisations
SBAC	Small Business Advisory Committee
SBR	Standard Business Reporting
SCFPA	Standing Committee on Finance and Public Administration
SCRGSP	Standing Committee for the Review of Government Services Provision
SNA	Safety Net Adjustment
SOLAS	Safety of Life at Sea
STV	Subscription Television
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality and Standards Agency
TFP	Total Factor Productivity
TPA	Trade Practices Act
TRA	Trades Recognition Australia
UA	Universities Australia
USO	Universal Services Obligation
VCEC	Victorian Competition and Efficiency Commission
VET	Vocational Education and Training
VoIP	Voice over Internet Protocol