
OVERVIEW

Key points

- Regulation of the social and economic infrastructure services sector is particularly heavy. This resort to a heavy regulatory presence arises because:
 - regulation is used to promote competitive behaviour where natural monopolies exist, for example, telecommunications and energy
 - of considerable government funding of service delivery, for example, aged care
 - there is information asymmetry with service users, for example, medical services
 - some service recipients, for example, the frail and aged and young children, are seen as vulnerable and requiring protection
 - many businesses in the sector operate across jurisdictions, for example, transport and energy retailers.
- Many industries in this sector are subject to review or reform activity, for example, transport, energy, higher education, telecommunications, aged care and child care. It is important to ensure that the reforms are implemented in a timely fashion and in a way that minimises the regulatory burdens. Much of the reform agenda relies on co-operation between governments. Reforms need to move beyond high level agreement on guiding principles to genuinely reduce the regulatory burden at the individual business level.
- This review has identified seven main areas — aged care, child care, information media, telecommunications, energy, air transport and education — where regulations can be made less burdensome.
- Regulation in aged care
 - without tackling the underlying policy framework that constrains the supply of aged care services, it is unlikely that the regulatory burden in the industry can be substantially reduced. To reduce the burden associated with regulation and price controls, and to improve the quality and diversity of aged care services, the government should explore options for: relaxing supply constraints in the provision of aged care services; providing better information to older people and their families so they can make more meaningful comparisons in choosing an aged care service; and removing the restriction on bonds as a source of funding
 - the aged care regulatory framework is fragmented due to regulation by numerous government agencies. This should be addressed by the current reviews of the accreditation process and standards in consultation with state and territory agencies. There also needs to be more effective communication with the industry on the delineation of responsibilities between the Department of Health and Ageing and the Aged Care Standards and Accreditation Agency regarding monitoring of provider compliance with these standards.
- Regulation in child care
 - clarify regulations to ensure a provider can have its Child Care Benefit approval removed if it is not accredited by the National Childcare Accreditation Council
 - streamlining of the accreditation arrangements should take place now, prior to the implementation of the proposed COAG reforms.

Key points (continued)

- Regulation in information media
 - the anti-siphoning regime imposes regulatory burdens because of the protracted commercial negotiations required for listed events. This burden should be reduced by substantially reducing the anti-siphoning list
 - radio local content rules and disclosure standard should both be made more flexible and associated reporting requirements reduced
 - additional local presence and content requirements triggered by ownership changes of radio stations should be abolished
 - the Australian Communications and Media Authority should have broader discretion to not investigate some code complaints.
- Regulation in telecommunications
 - the telecommunications consumer information obligations should be streamlined
 - the identity check requirements for prepaid mobile phones should be revised to lower costs to business while achieving their policy objective of allowing law enforcement agencies to identify mobile phone owners.
- Regulation in the energy sector
 - the Ministerial Council on Energy should commission work to consider the practicalities of implementation of the recently agreed pass-through to consumers of cost increases associated with the Carbon Pollution Reduction Scheme
 - governments should amend the Australian Energy Market Agreement to ensure clearer commitments to competition reviews by the Australian Energy Market Commission and ongoing price monitoring by the Australian Energy Regulator
 - all levels of government need to work cooperatively to reduce the burden associated with excessive reporting obligations, including through the adoption of a methodology consistent with Standard Business Reporting (SBR).
- Regulation in air transport
 - shift from a ‘one size fits all’ approach in aviation security regulation and develop arrangements that satisfy regulatory requirements at lower compliance cost.
- Regulation in education and training
 - reforms to streamline reporting obligations in the education sector, including in response to recommendations from the Bradley Report and the anticipated changes to reporting by schools, should be undertaken consistent with the methodology of the SBR initiative. Electronic reporting and secure on-line sign-on to the agencies involved should be introduced.
- Many industries complained of overly burdensome, duplicative and redundant reporting requirements. Extending the SBR principles and methodology to many of the sectors covered in this review could substantially reduce the reporting burden.
- The best practice regulation requirements should be strengthened by increasing transparency and providing greater scope for consultation with business.

Overview

Regulation is an important and effective mechanism to achieve economic, environmental and social goals, but places burdens on businesses. Unnecessary burdens arise where regulation is unduly complex or redundant or duplicates the regulations of other jurisdictions or regulatory bodies. Such regulation can impose additional financial costs on businesses, change how they operate in undesirable ways and can reduce their flexibility to respond to challenges and opportunities. The overarching objective of regulatory reform is to enhance the capacity of businesses to generate productivity growth to underpin growth in community welfare without undermining the policy intent of the regulations.

In February 2007, the Commission was asked to review, over a five-year period, the burdens on business arising from Commonwealth regulation. The terms of reference of the review are set out on pages IV-VI. The objective of the review is 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. The Commission's task is to identify improvements to regulation that will raise the productivity of businesses without compromising the underlying policy objectives.

For 2009, the task is to examine regulations that affect the social and economic infrastructure services sector — this includes energy, construction, transport, information media and telecommunications, health care and social assistance, education, aged care and child care.

The sector accounted for 33 per cent of Australian GDP (\$338 billion) in 2007–08. Of the relevant industries, construction contributed the largest share, 7.9 per cent of GDP (\$82.1 billion), followed by health care and social assistance with 6.3 per cent (\$65.4 billion), while information media and telecommunications contributed the smallest share, 2.3 per cent of GDP (\$23.9 billion)

This sector is also a significant employer, accounting for 43 per cent of overall Australian employment in May 2009 (over 4.6 million persons). Of this, health care and social assistance is the most significant employer, accounting for 11 per cent of overall employment (over 1.1 million persons), followed by construction with 9.1 per cent of overall employment (984 000 persons).

As part of this review process, the Commission received 51 submissions from participants prior to the release of the draft report. In addition, the Commission held over 50 meetings with stakeholders — individual companies and business groups in the sector, regulators and policy departments. Subsequent to the release of the draft report, the Commission held two roundtables, further discussions with stakeholders and received an additional 50 submissions.

Regulatory issues facing the social and economic infrastructure services sector

The social and economic infrastructure services sector is subject to both Commonwealth and state and territory regulations. The role of the Australian Government in affecting the regulatory environment arises directly through its broad powers in the Constitution to regulate corporations, telecommunications and broadcasting, interstate and international trade and being a party to international treaties.

Indirect Australian Government involvement in the regulatory framework affecting the social and economic infrastructure services sector arises from the Australian Government taking, by agreement with the states and territories, a co-ordinating role to harmonise regulations across Australia, including through model legislation and referred powers. Examples of this harmonisation role include energy, building and land transport regulations. Also, the Australian Government has the capacity to establish and fund specific policies and programs, including in areas such as health, education, aged care and child care. This funding also results in regulatory oversight by the Australian Government.

But there is also considerable state and territory government regulatory involvement. The states and territories have constitutional authority over much of the regulatory landscape affecting construction, health, education, land transport and domestic shipping. In addition, it is common for local government to be responsible for the local administration of aspects of state regulation, such as inspecting food preparation premises for compliance with hygiene and food safety standards and town planning.

While there is a burden of regulation on all sectors within the economy, the burden of regulation on the social and economic infrastructure services sector is especially heavy. This is due to the characteristics of the industries subject to review:

- natural monopoly infrastructure which requires regulation to ensure outcomes consistent with competitive behaviour, for example, telecommunications, electricity and gas supply

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- operation across many jurisdictions leading to regulatory differences, for example, road, water and rail transport
 - community expectations of service reflected in regulations which impose costs on businesses, for example, information media and telecommunications
 - information asymmetry which results in users of these services having limited access to relevant information, for example, health and medical services
 - the vulnerability of some users who require protection through regulations, for example, aged care and child care
 - dependence of industries on government funding which imposes prudential and financial regulatory requirements, for example, education and training, aged care, child care and health.

A common theme underpinning the regulation of the social and economic infrastructure services sector has been the management of risk through regulation. This covers a range of risks including:

- prudential and financial risk for the Australian Government attached to the provision of funding, for example, funding of medical services, private schools and subsidies for child care and aged care
- budgetary risk for the Australian Government addressed by regulatory constrained funding models, for example, medical services and aged care
- health and safety risks attached to the services supplied to young children and the frail and aged.

It is important to clarify how much regulation is required to manage these risks. It can be easy to place extra regulation on sectors such as social and economic infrastructure services because of the existing relatively heavy burden of regulation. But there is a cumulative cost to pay for this approach and just because there is an existing heavy regulatory burden, it does not make every additional regulation justifiable.

Thus, while it is appropriate to attempt to reduce risks through regulation, it must be recognised that this risk reduction may come with added costs and unintended consequences. It must also be recognised that risk can never be entirely eliminated. Attempting to eliminate all risk is likely to lead to perverse outcomes because it can produce unwarranted expectations by service users and compliance burdens that are so heavy that they impede achievement of the broader policy intent.

Excessive minimisation or avoidance of risk through regulation can also lead to overly prescriptive regulations, ‘black letter law’ interpretation of regulations by regulators and excessive reporting requirements. Additional regulation can also be

seen as a visible and public solution to unfortunate but isolated problems that may arise in a particular sector. Consequently, the additional regulation is applied sector-wide, not just to those isolated cases or non-compliant businesses.

The consequences of such excessive attempts to manage risk underpin many of the concerns raised in this year's review. This excessive risk management can impede innovations in service delivery, increase costs, undermine staff morale and commandeer resources for compliance purposes away from the core aspects of service delivery. In some cases, it can lead to major ethical concerns regarding the rights of service recipients, for example, mandatory reporting of allegations of abuse in aged care homes. Also, the risk being managed appears to be not always that of the service recipients or to public funding, but that of the regulators and government agencies.

The federal political structure underpinning much of Australia's regulatory framework has also created burdens for businesses in this sector. These arise because of the jurisdictional inconsistencies which affect businesses that operate across states and territories. Also, such inconsistencies can produce multiple reporting requirements to Commonwealth and state government agencies — even for those businesses that operate within a state or territory. This concern with reporting requirements cuts across all sectors from higher education institutions with campuses in more than one state, transport companies that operate interstate, energy businesses that have networks that span states, to aged care and child care providers that may only operate in one state or territory, but must report to several agencies on similar or related matters.

Overlapping and inconsistent regulations are recognised by all Australian governments as impediments to improvements to productivity. Most recently, governments through the Council of Australian Governments (COAG) Reform Agenda have begun to address this challenge and move towards a 'seamless national economy'. In practice this is often addressed by the development (or proposed development) of intergovernmental agreements or arrangements and nationally uniform codes in such areas as transport regulation, higher education, child care, building regulation and energy markets.

These initiatives, if realised, will assist in the creation of a seamless national market for goods and services and are to be encouraged. But this review has shown that the potential benefits from uniformity, or at least consistency, remain to be realised. In the past, while state and territory governments have agreed to such national approaches they have been slow to implement them or have sought to maintain some of their jurisdictional differences. This has been the experience with many reforms in the transport sector and in the development of a national energy market.

Consequently, the burdens created by such jurisdictional inconsistencies underlie many of the concerns raised through submissions. In other sectors, such as child care and higher education, momentum needs to be maintained to realise the benefits of the new national approaches being developed.

History shows that agreement to national reform principles, while not always easy, can usually be brokered where unnecessary burdens are widely acknowledged. The difficulty arises in converting those principles to actionable, practical rules and regulations to be implemented at an individual business level. Too often ‘the ball is dropped’ with reforms, and the intended results of more uniform regulations do not materialise at the business level.

The intrinsically heavy burden of regulation on the social and economic infrastructure services sector places an additional responsibility on policy makers designing the regulation and those administering the regulation to be cognisant of the additional burdens they may be placing on businesses. Unfortunately, as submissions to this review reveal, this is not always the case.

Principles and guidance material for the development of good quality regulation have been developed by a number of bodies such as COAG, and the Australian Government including the Office of Best Practice Regulation (OBPR). However, this review has identified that some regulations, across various industries in the social and economic infrastructure services sector, have been implemented with minimal analysis of their potential impacts on business.

In reviewing the concerns raised in submissions, meetings and roundtables it became apparent that there is clearly scope to improve the transparency and accountability of the Australian Government’s regulatory processes. This should help to improve the analysis of regulatory proposals, and therefore, the quality of regulation. It is recommended that:

- a central register of regulatory impact analysis be developed for Commonwealth regulation, with Regulation Impact Statements (RISs) and the OBPR’s adequacy assessments being published at the time government decisions are made public
- departments and agencies update their annual regulatory plans as preliminary assessments are completed
- a consultation RIS be incorporated into the Commonwealth regulation-making process (in a similar manner to the COAG requirements)
- consideration be given to the appointment of a Business Advisory Committee to comment on RISs with business impacts
- a review of the best practice regulation requirements be undertaken.

Background to recommendations

The recommendations proposed in this review should go some way to reducing the regulatory burden on businesses. Also, by seeking to streamline and focus regulatory processes, the recommendations will produce a more integrated regulatory structure which is responsive to business concerns while fulfilling the policy intent of the governing regulations. The Commission's recommendations are provided at the end of this overview. The following is a brief discussion of the context and basis for the Commission's findings and recommendations, and has been grouped according to industry:

- aged care
- child care
- information media and telecommunications
- electricity, gas, water and waste services
- transport
- education and training
- medical services.

Aged care

Aged care providers are concerned about the centralised planning processes which result in a heavy regulatory burden in order to maintain and improve the quality of care. The Australian Government, through its regulatory arrangements, largely controls how many aged care places are provided, where these places are located, the relative weighting of different types of places, the price of these places and their specified quality.

Many of the regulatory burdens stem from the policy framework that restricts the supply of aged care places and limits the extent to which the price mechanism signals changes in market conditions to both aged care providers and care recipients. Without tackling the underlying policy framework it is unlikely that the regulatory burden on aged care providers can be substantially reduced. The Government should explore options for relaxing supply constraints in the provision of aged care services, allowing residents' needs and preferences to be better addressed, and for providing better information to older people and their families so they can make more meaningful comparisons in choosing an aged care service. Such reform would enable the Government to reduce its reliance on regulation and price controls in areas where there is effective competition. The Government should also explore options for removing the regulatory restriction on bonds as a source of

funding to remove the disincentive on providers to make investments in aged care facilities.

The other regulatory constraint which limits the ability of businesses to respond to the differing needs or preferences of residents is the cap on the number of ‘extra service places’. Consideration should, therefore, be given to freeing up regional caps on the number of extra service places, as an interim measure, before abolishing the extra service category altogether.

Any reduction in the regulatory burden on aged care providers should not be at the cost of lower levels of service quality for aged care recipients. There is a strong rationale for government intervention to ensure that service providers at least meet community determined standards of care and that consumer protections are in place to ensure the frail and elderly are adequately protected. However, there is scope to achieve these objectives at a lower cost to business and the community through better regulatory design and administration.

The regulatory framework is complex and fragmented due to the existence of several programs regulated by numerous government departments and agencies across three tiers of government, resulting in an unnecessary cost imposition on providers. This should be addressed by the current reviews of the accreditation process and standards in consultation with relevant state and territory governments. Moreover, there needs to be more effective communication with the industry on the delineation of responsibilities between the Department of Health and Ageing and the Age Care Standards and Accreditation Agency regarding monitoring of provider compliance with these standards. To this end, it would be useful to issue all providers with a copy of the protocol between the two organisations which explains the actions each organisation takes when non-compliance is identified or suspected.

The accreditation system has made a positive contribution to the improved standard of aged care. Some changes, however, should be made to reduce the regulatory burden on residential aged care providers. In particular, the visits program should be redesigned using a risk management approach which has a greater focus on under-performing residential aged care homes.

Similarly, the building certification standards have contributed to improved standards of residential accommodation within the industry. However, they have now served their purpose and should be abolished and incorporated in to the Building Code of Australia once all residential aged care facilities have met the current certification standards.

While intended to protect vulnerable and aged consumers, some existing regulations (including police checks and the reporting of missing residents) have shown little

concern for minimising the costs of compliance to the businesses affected. The regulatory burden associated with such requirements could be reduced without undermining the welfare of residents. The extensive increase in across-the-board regulation in recent years, sometimes in response to isolated unfortunate events, does not reflect the high standards of aged care by the vast majority of providers.

Child care

Child care providers are concerned about the significant regulatory overlap and duplication between the Australian Government and state and territory governments that arises from their shared responsibility for regulating child care. COAG has agreed to establish a National Quality Agenda to remove the overlaps, gaps and inconsistencies from 1 July 2009.

It is imperative, given the lack of any assessment of compliance costs in the consultation RIS, that the forthcoming final RIS on the National Quality Agenda conducts a transparent assessment of the costs and benefits of the enhanced regulatory framework, particularly the magnitude of the purported compliance cost savings to service providers (and also to regulators). Moreover, further consultation with service providers on the estimates of costs and benefits should take place before the final RIS is provided to decision makers.

At the same time it is important that the Australian Government maintains efforts to unilaterally reduce regulatory burdens in areas where it has responsibility even though other reform processes, involving other jurisdictions, are on-going. For example, some streamlining of the child care accreditation arrangements should take place now, prior to the implementation of the COAG reforms, to remove unnecessary administrative burden on child care services.

Child care providers are also concerned with the lack of credible sanctions that are applied when child care services are found to be non-compliant with the quality assurance systems under the current regulations. Failing to utilise sanctions in the appropriate circumstances are a restriction on competition within the child care sector which discriminates against child care services that are meeting the accreditation standards. The Department of Education, Employment and Workplace Relations should amend the regulations so that it is clear that a service can have its Child Care Benefit approval removed if it is not accredited by the National Childcare Accreditation Council. At the same time, the Department could improve both the quality of the information it provides to parents and the way it is delivered to parents, to support more informed consumer choice.

The Council should also reform some of its internal processes to reduce the regulatory burden on child care services without affecting service quality, including the scrapping of unannounced validation visits (while maintaining unannounced spot checks); replacing paper validation surveys administered by child care services with an alternative delivery mechanism (such as telephone surveys); and improved coordination of visits of the Council and state and territory regulators to child care services.

In recent years, there have also been some additional regulatory requirements foisted on the industry, such as anticipated vacancy reporting, that have imposed costs on child care services without providing a significant offsetting benefit to service providers or the community. The Department should continue to improve the way child care services report anticipated vacancy information so that compliance costs are constrained and the information provided to parents is more useful.

Information media and telecommunications

In the information media and telecommunications sector, there are differing views on how the process for developing new regulations has operated. On balance, the Commission considers that the benefits of the co-regulatory approach to developing codes are not always being realised. The speed and efficiency with which new regulations are developed under the co-regulatory model might be enhanced if regulators were to take a more light-handed approach to the development of industry codes and provide industry with more clarity about the outcome of consultation processes.

Currently, ACMA's discretion to target investigations is limited, which can create a burden on both industry and ACMA from low priority investigations. ACMA should be provided with a broader discretion, similar to that provided to the Commonwealth Ombudsman, to target its enforcement activity on those complaints which are of greatest concern.

Information media

The sports anti-siphoning regime, whereby free-to-air television broadcasters are given preferential access to the rights to broadcast major sporting events, is a significant concern to the subscription television industry. The regime leads to higher costs during broadcast rights negotiations. The Commission considers that this imposes an unnecessary regulatory burden on these businesses and should be addressed by substantially reducing the anti-siphoning list.

Local content rules for regional radio broadcasters are unnecessarily burdensome because they are inflexible and entail excessive reporting requirements. Accordingly, the local content rules should be revised to make them more flexible and to reduce the reporting requirements without undermining the objective of maintaining the local content of radio stations' services.

The radio local presence and content rules triggered by changes in station ownership are aimed at maintaining local radio services. However, the rules impose such restrictive conditions and reporting requirements that they could have the perverse effect of increasing the risk of business failure because of the constraints on radio stations' ability to respond to changing circumstances. This could potentially undermine the objective of the provisions. The 'trigger event' local presence and content rules should be abolished.

Overall, it appears that the requirement for disclosure of commercial arrangements for commercial radio presenters is overly prescriptive and poses an excessive burden on the commercial radio industry. The objectives of the regulation could be met through a more flexible approach which reduces the costs to broadcasters. The disclosure standard should be made less prescriptive.

Telecommunications

In April 2009, the Australian Government released a discussion paper canvassing significant reforms to a range of telecommunications regulations. In light of this, the Commission has decided to focus its efforts on industry concerns that are not addressed by the discussion paper.

One of those concerns is that customer information requirements for the telecommunications sector are overly burdensome. Industry contends that the requirements are uncoordinated and do not meet customers needs. The Commission considers that the customer information requirements should be reviewed with the aim of streamlining the requirements and improving the clarity of the information provided to customers.

Industry participants are also concerned that prepaid mobile phone identity checks are costly, and of limited effectiveness in helping law enforcement agencies to identify mobile phone owners. At present there is little evidence upon which to make a judgement about the net benefit of the current arrangements. Accordingly, prepaid mobile phone identity checks should be reviewed with the objective of revising the regime to better meet its objectives while minimising the compliance cost to business.

Electricity, gas, water and waste services

Major national reforms to the regulatory frameworks covering electricity and gas supply commenced more than 15 years ago, but certain key reforms are still to be finalised, or have only recently been introduced. In many areas, therefore, further reforms are best left until sufficient time has elapsed to allow an assessment of the effectiveness and efficiency of the new arrangements.

Nevertheless, some changes should be made now to address industry concerns about the cost and complexity of access price reviews, the inefficiencies associated with retail price regulation, and aspects of current consultative and review processes.

The Australian Energy Regulator (AER) should explore ways to reduce the cost and complexity of regular access price reviews for electricity and gas transmission and distribution businesses. In the longer term, an independent and public review should examine alternative methodologies for determining maximum revenue or prices.

Consistent with commitments in the Australian Energy Market Agreement (AEMA), retail price regulation should be abolished by state and territory governments as soon as effective competition has been demonstrated. Allowing more cost reflective tariffs would improve incentives for new investment and the incentive for consumers to use energy commensurate with its economic cost.

Recently, governments amended the AEMA to allow pass-through to consumers of the energy cost increases associated with the Carbon Pollution Reduction Scheme (CPRS) and the Renewable Energy Target Scheme. The Ministerial Council on Energy should commission work to consider the practicalities of implementation of this agreed pass-through of costs. Governments should also agree to amend the AEMA to ensure stronger and clearer commitments to competition reviews by the Australian Energy Market Commission and an ongoing price monitoring role for the AER. Price monitoring will be particularly important in the period immediately after the implementation of a CPRS when there is likely to be considerable uncertainty and volatility in costs for energy suppliers.

Regulators should review their consultative processes against best practice consultation principles and work closely with industry to identify how consultation could be improved. In particular, there needs to be better coordination of reviews to address industry concerns about overlapping and duplicative work streams.

All levels of government need to work cooperatively to reduce the burden associated with excessive reporting obligations. The Standard Business Reporting model can provide a good model for achieving such improvements.

While playing an important leadership role in pursuing greater national consistency, the Australian Government has only limited direct responsibility in relation to the regulation of waste, water, sewerage and drainage services. Many of the concerns raised relate to state/territory responsibilities and consequently are beyond the scope of this review.

The concerns raised in relation to water regulation are best addressed as part of the major COAG work program in this area. Concerns about the regulation of waste services were examined only recently by the Commission in its Waste Management Report. The recommendations and regulatory principles developed in that report should be considered in the current development of a National Waste Policy.

Transport

The inconsistent state and territory government regulation surrounding the operation of road and rail freight imposes a considerable regulatory burden on business. This has been acknowledged by all Australian governments and has been a focus of recent government reforms.

Despite a number of previous attempts, there has been limited progress in advancing regulatory reforms in road and rail. In particular, the flexibility provided to jurisdictions through the use of model legislation has only maintained regulatory inconsistency. However, all jurisdictions have recently agreed to implement national regulatory frameworks to overcome inconsistencies in these sectors.

Care needs to be taken to ensure that a national regime does not impose any additional regulatory burdens — uniformity is not an end itself, but rather is desired because multiple systems create unnecessary regulatory burdens.

Australia's coastal shipping industry operates under a complex regulatory structure. Inconsistencies across jurisdictions remain with regard to maritime safety regulation and between the Australian and Victorian governments in regard to ballast water management. A single national maritime safety system is being established under the Australian Maritime Safety Authority with the intent to address jurisdictional inconsistencies with safety regulation. Inconsistencies relating to ballast water management can be addressed through expediting the development and implementation of the National System for the Prevention and Management of Marine Pest Incursions.

Aviation is mainly regulated by the Australian Government and has also been subject to scrutiny as part of the Australian Government's current review of national aviation policy. The urgency in implementing a new aviation security regime after

September 2001 resulted in a significant increase in the amount of regulation and a number of ensuing problems.

For example, airlines are required to take responsibility for matters that are outside their control and provide information that is already in the public domain. Existing aviation security advisory forums should be utilised to provide a focus on consultation with industry to improve regulatory outcomes in this area. Also, the use of approved exemptions would shift away from a ‘one size fits all’ approach to aviation security regulation and enable the industry to develop alternative arrangements that would meet or exceed the regulated requirements while reducing compliance burdens.

Education and training

The education and training sector is subject to excessive and duplicative reporting requirements, slow accreditation processes in the vocational education and training sector, jurisdictional inconsistencies and overlap, and regulatory frameworks that do not reflect current developments in the structure of the education sector.

The sector is undergoing substantial reform to its regulatory and institutional frameworks which provides an opportunity to reassess and reduce the regulatory burdens imposed on providers. In higher education and vocational education and training, the Australian Government recently announced its intention to implement major reforms to the regulatory architecture, in response to the Bradley Review of Australian Higher Education. In the schools sector, COAG is continuing work on implementing a nationally consistent National Education Agreement which will remove some current reporting requirements, but substantially increase the detailed information required to be reported at the individual school level. A new funding agreement for independent schools was also introduced in 2008 for the 2009–2012 period.

Given the Australian Government’s commitment to changes to the regulatory and institutional frameworks in the education and training sector, it is not appropriate for the Commission to recommend specific actions in response to many of the concerns raised with this review.

The Commission encourages the Australian, state and territory governments to work cooperatively to progress the necessary reforms, for example in the development of the proposed Tertiary Education Quality Standards Agency, which is intended to encourage best practice, streamline and simplify current regulatory arrangements to reduce duplication and provide for national consistency.

The reforms of the regulatory frameworks must in particular address the excessive burden of reporting obligations. The common languages and definitions introduced by the Standard Business Reporting (SBR) program should be utilised as far as practicable. Any additional information required should be kept to an absolute minimum, and be accompanied by the development of a supplementary taxonomy that could be used in conjunction with the SBR financial taxonomy to be made available from 31 March 2010.

The SBR principles and methodology should also be used to reduce the burden of the separate requirements for overseas school students and for the extensive reporting that will be required from schools under the new funding arrangements. Where very detailed information is being sought at the individual school level, it will be essential to ensure the processes in place to collect these data are robust. There will be a huge volume of data collected and it will be difficult to ensure that the data are reliable and can be readily analysed. The process of collection will be a significant factor in determining the cost of collection and the ultimate usefulness of the data.

Medical services

The administrative requirements placed on general practitioners (GPs) and their practices by the Australian Government have been an ongoing concern to the medical profession. Moreover, these issues have been examined in detail by previous reviews and studies, including by the Commission.

There has been some progress in reducing the red tape placed on GPs. For example, there is the current review of Medicare items and the introduction of the streamlined authority program in respect of approval for some Pharmaceutical Benefits Scheme (PBS) medicines. However, a number of the 'red tape' issues impacting on GPs addressed in the previous reviews remain in place. These issues should be addressed by implementing the remaining recommendations from the Commission's 2003 Review of General Practice Administrative and Compliance Costs and from the Regulation Taskforce's 2006 review relating to general practice. These include introducing a single provider number for each general practitioner and changing the PBS authority approval process.