

APPENDIX B.13

DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

Summary

Industry, Innovation and Science reported 33 measures¹ during the year, with a total net regulatory saving of \$166.6 million per year.

The Industry, Innovation and Science portfolio has acted on the clear message from businesses to remove unnecessary red tape.

One of the largest reductions in compliance costs has come from improvements in the way the portfolio interacts with business. The portfolio recognises that businesses have struggled for too long to navigate and access business-related services. To make accessing government business services easier, this portfolio implemented the new single business service initiative. This initiative provides a more simplified entry to government through a single point of contact for businesses.

We have also removed a dual reporting requirement for businesses participating in both the Australian Industry Participation and the Enhanced Projects By Laws Scheme, simplifying the Offshore Petroleum Exploration Guidelines and further enhanced electronic communication processes for IP Australia clients.

In addition, this year the Industry Growth Centres commenced developing their regulation reform agendas, which will identify key opportunities for reform across their sectors. This will identify regulations that are over-burdensome and impede the ability of businesses to grow in the years to come.

There are also considerable costs to business arising from complying with regulations at all levels of government. That is why at the recent Council of Australian Governments (COAG) Industry and Skills Council meeting the Council members committed to providing input on actions being taken in their jurisdictions to promote and foster innovation and science, and to look for opportunities for joint or complementary work.

¹ Measures counted here only include decisions with a regulatory impact. Measures with a zero regulatory impact have been excluded.

Regulatory measures reported since the 2015 Spring Repeal Day²

With an impact of greater than \$2 million

Industry, Innovation and Science	Single Business Service Delivery
	<ul style="list-style-type: none">• In March 2015 the Department of Industry, Innovation and Science finalised the programme of work to implement the new Single Business Service initiative, which was previously announced on 13 May 2014.• AusIndustry connects Australian businesses with information and advice to help them innovate, grow and be competitive. Businesses can now get information and help through one website – business.gov.au, one contact centre – 13 28 46, and our national network – AusIndustry to:<ul style="list-style-type: none">○ Get a business up and running.○ Develop and commercialise ideas and products.○ Improve, innovate and grow a business.○ Reach new markets.• The Department of Industry, Innovation and Science has estimated that this will lead to an annual saving of \$32 million in compliance costs.
Industry, Innovation and Science	Modernising correspondence for trade mark customers
	<ul style="list-style-type: none">• The Outbound Correspondence Project (OCP) enables IP Australia to send correspondence to customers electronically, instead of via post. OCP was implemented for trade marks in late 2015, following the successful implementation for patents back in 2014.• As a result, trade mark customers can conduct more transactions with IP Australia online and at their convenience. This improves communication with private firms and saves them from having to scan physical copies of correspondence into their electronic record-keeping systems.• The Department of Industry, Innovation and Science has estimated that this will lead to an annual saving of \$2.2 million in compliance costs.

² These measure descriptions relate to new decisions taken and reported between the Spring 2015 Repeal Day and 31 December 2015. Descriptions of regulatory increases or regulatory decreases generally capture those measures with a regulatory change in excess of \$2 million per annum.

2015 regulatory measures, previously reported in conjunction with the Autumn and Spring Repeal Days

These measures below are reproductions of the 2015 Autumn and Spring Repeal Day overview descriptions and have not been amended³. Where necessary, supplementary information is shown as blue text.

Industry, Innovation & Science	Raising the Research and Development (R&D) Tax Incentive threshold (Spring)
	<ul style="list-style-type: none"> On 5 March 2015 the Tax Laws Amendment (Research and Development) Bill 2015 received Royal Assent. The Act, which amends the <i>Income Tax Assessment Act 1997</i>, introduces an annual threshold of \$100 million of eligible R&D expenditure for which companies can claim a concessional tax offset under the R&D Tax Incentive. For expenditure beyond \$100 million, companies can claim a non-refundable tax offset at the corporate tax rate. The Department of Industry, Innovation and Science has estimated that this will lead to an annual saving of \$118.3 million in compliance costs.
Industry, Innovation & Science	Revising the Enhanced Project By-law Scheme guidelines (Spring)
	<ul style="list-style-type: none"> On 26 June 2015 the Department of Industry, Innovation and Science introduced revised Enhanced Project By-law Scheme (EPBS) Policy and Administrative Guidelines. The revised guidelines reduce the regulatory burden on businesses by allowing Australian Industry Participation (AIP) plans approved under the <i>Australian Jobs Act 2013</i> to be used by businesses when applying for tariff concessions under EPBS. Businesses subject to the Act are no longer required to develop, implement and report on a separate AIP plan for EPBS purposes, and it has also streamlined approval processes for these applicants. The Department of Industry, Innovation and Science has estimated that this will lead to an annual saving of \$1.9 million in compliance costs.

³ To align this table with the 2015 calendar year, any measures accounted for in the previous annual report have been excluded.

International standards and risk assessments

As part of the Industry Innovation and Competitiveness Agenda, announced in October 2014, the Government adopted the principle that if a system, service or product has been approved under a trusted international standard or risk assessment, then our regulators should not impose any additional requirements for approval in Australia, unless it can be demonstrated that there is a good reason for doing so.

Regulators within the Industry, Innovation and Science portfolio are currently examining opportunities for greater acceptance of international standards and risk assessments. That is why this portfolio has published criteria on international standards and risk assessments on

<http://www.industry.gov.au/industry/IndustryInitiatives/PortfolioRegulationReform/Pages/default.aspx>.

Adopted international standards

International Standards currently represents over two thirds of national pattern approval standards.

- *Examples of adoption of international standards between Oct 2014 and Aug 2015*
 - **National Measurement Institute (NMI)**: In September 2015, the international standard, known as OIML R 49 was adopted. NMI is responsible for the pattern, or type, approval of measuring instruments used for trade, including hot and cold water meters. In order to be used for trade or billing purposes, meters must be approved by NMI. The adoption of OIML R 49 harmonises Australia's water meter regulations with international best practice. Aligning with international standards for smaller sized water metering units will promote and encourage sub-metering of individual apartments within existing residential apartment complexes. Potential benefits include fairer billing and a reduction in water consumption. This resulted in an annual regulatory savings of \$0.19 million.
 - **Greenhouse and Energy Minimum Standards**: The Department realised a \$1.64 million annual saving to businesses supplying external power supplies in Australia, by removing regional product marking requirements. This allows these products, which are manufactured overseas (with higher international energy performance standards), to display the same marking for all countries. This reform means that international products could get to market quicker in Australia, increasing choice for consumers.

Further information

If you would like further information about the information provided here, please email Ms Sarah Clough, General Manager, Strategic Engagement and Business Productivity Branch from the Department of Industry, Innovation and Science at sarah.clough@industry.gov.au.