

SMALL BUSINESS — REDUCTION IN RED TAPE

188. Mrs L.M. HARVEY to the Treasurer:

Having been in small business for many years, I know that red tape imposes significant costs and discourages investment and employment. Can the Treasurer advise small businesses in my electorate and across the state about what the government is doing to reduce red tape?

Mr T.R. BUSWELL replied:

I thank the member for Scarborough for her question for and her ongoing interest in the small business sector in Western Australia. Before I answer her question, I would like to make a couple of comments specifically about the Western Australian economy, which will lead on to a specific discussion about red tape, because it will put the discussion into some context.

As we discussed during an earlier debate, the state's economy has slowed significantly. From an aggregate level, we are seeing that dwelling investment and private consumption are flat; business investment, although positive, has slowed down dramatically; and export growth has stagnated. The net impact of that on the Western Australian economy will be that the rate of economic growth will slow. As a result of that, there will be an increase in unemployment. It is a disturbing trend that has impacted on many people in many workplaces across Western Australia. The government's view—as the Premier and I have repeatedly stated—is that notwithstanding that slowdown, Western Australia is still one of the best jurisdictions in the world in which to weather the global financial crisis. During the December quarter, for example, our state's economy continued to grow. Yesterday, as another example, some ANZ job figures were released that showed that the number of job ads had plummeted. Interestingly, within that context, in Western Australia, with 10 per cent of the nation's workforce, we accounted for 15 per cent of the nation's job advertisements. The government has responded in a proper and measured way to help support the Western Australian economy. We have responded positively to partner the federal government in its job creation packages, especially those surrounding education and housing.

Also, importantly, we have a view that one of government's roles is to help businesses help themselves through these difficult times. One aspect of that relates to red tape. It is a fact, as the member for Scarborough rightly pointed out, that red tape has a significant impact on all businesses, in particular on small businesses. Compliance costs, time wasted by business proprietors having to comply with red tape and costs directed at employing people to help with compliance are major issues. The member may be interested to hear that a couple of years ago in 2007 the Business Council of Australia conducted a score card of red-tape reform. The review assessed the impact of red tape on different state-based jurisdictions. Members may not believe it—I was shocked to find out—but the lowest performing state as a result of red tape, after six years of a Labor government, was Western Australia. It was the lowest ranked jurisdiction in Australia when it came to red tape—under a government whose approach in life was to hamstring and straightjacket business in this state through red tape.

We have responded to that. On 30 January this year we announced two initiatives to deal with red tape. The first was the formation within the Department of Treasury and Finance of a regulatory gatekeeping unit. That unit has the role of reviewing every piece of new or amended legislation and every new or amended regulation that government is contemplating; that is, it reviews anything that can result in a compliance cost or reduced competition. That unit must produce a regulatory impact statement. This is an ongoing program to make sure that any changes made by the government are assessed to measure their impact on red tape. I should point out that that red-tape regulatory gatekeeping unit—it is a bit of a mouthful; I will have to come up with a new acronym—is using commonwealth best practices in determining any impact.

The second thing we did was to appoint a red-tape reduction group. The member for Scarborough has been appointed to this group —

Several members interjected.

Mr T.R. BUSWELL: It is headed by the member for Scarborough and Hon Ken Baston. Something that unit will do that members opposite never did is travel around Western Australia and meet small business operators across the length and breadth of this state and across the metropolitan area to understand the concerns small businesses face on red tape. The unit will report back to government, and do members opposite know what we will do? We will cut red tape.

Mrs M.H. Roberts interjected.

The SPEAKER: Order, member for Midland!

Mr T.R. BUSWELL: Can members imagine my interest and surprise when, having made what I thought was a very positive announcement on behalf of the government on 30 January, I picked up the newspaper on 28 February and discovered that the shadow Treasurer had adopted a very interesting approach to his role. He announced a discussion paper on red tape that recommended the adoption of the very model that, one month earlier, we had announced in government. I think it is fantastic, and I embrace it.

Mr B.S. Wyatt: Thank you.

Mr T.R. BUSWELL: His new approach is to wait until we announce a good idea and a month later announce his support of it. My only word of advice to him is to make sure he continues to read our press releases and keep himself fully apprised of activities in government. I will arrange a series of briefings for him—I know he likes to attend them—on our reform of red tape.